

DEPARTMENT OF COMMERCE
PERSONAL PROPERTY MANAGEMENT MANUAL
(March 1995)

INTRODUCTION

The Department of Commerce (DOC) Personal Property Management Manual (PPMM) is the single authoritative reference for the Department's management of personal property. The PPMM should be consulted to determine departmentwide policies and procedures governing all personal property.

The PPMM contains Departmental policy and procedures for the management of personal property that is owned by, leased to, or loaned to or by the Department. The PPMM implements and supplements those portions of the Federal Property Management Regulations (FPMR) which pertain to the acquisition, management, utilization and disposal of personal property. It incorporates relevant regulations of control agencies such as the Office of Management and Budget (OMB), General Services Administration (GSA), and the General Accounting Office (GAO). Material is based on existing laws, Executive Orders, and mandatory regulations of control agencies.

All DOC employees must adhere to the policy and procedures set forth in this manual when executing personal property management functions on behalf of the Department.

Scope.

This introduction provides material concerning the PPMM. The PPMM is presented in terms of its establishment, authority, publication, applicability, implementation and supplementation of the FPMRs, and describes the relationship between the PPMM and FPMR.

Authority for Manual.

Department Administrative Order (DAO) 200-0: Department of Commerce Handbooks and Manuals. The PPMM has the status and effect of a DAO.

FPMRs System.

FPMRs are issued by the Administrator, GSA, and are defined in Section 101-1.1 of the FPMR.

The PPMM implements and supplements the FPMRs by providing basic policy and procedures governing the personal property management operations of the Department. The PPMM is regulatory in nature and covers all personal property management activities.

The PPMM is maintained by transmittals which issue revised changes to the PPMM. Changes to the PPMM are effective on the date of the transmittal notice, unless otherwise indicated.

Publication and Distribution.

The PPMM is published by the Office of Administrative Operations (OAO). Any suggested revisions should be addressed to: Director, OAO; Room 2852, Herbert C. Hoover Building; Department of Commerce; Washington, D.C. 20230.

The PPMM and all updates are serially numbered, and published in loose-leaf form. Operating Units will be provided copies of all updates and correspondence of the PPMM for distribution within its organization.

In order to facilitate cross-referencing between the FPMR and the PPMM, each Chapter, where appropriate, contains the corresponding FPMR subpart. Also, the PPMM's subject titles correspond with those in the FPMR.

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CHAPTER 1. AUTHORITIES, ROLES, AND RESPONSIBILITIES

1.000 GENERAL PROVISIONS

1.001 Scope of Chapter.

This chapter sets forth introductory material concerning the Department of Commerce (DOC) Personal Property Management Manual (PPMM). The PPMM is a supplementation of the Federal Property Management Regulations (FPMR) that provides policy guidance and procedures for the overall management of personal property. It establishes the authorities, roles and responsibilities within the DOC as they pertain to the acquisition, utilization, physical accounting, and disposition of personal property.

1.002 Purpose.

The PPMM sets forth policy for an effective and efficient management program regarding the accountability of DOC's personal property. In addition, the PPMM provides guidance to prevent loss, waste, theft, misuse, or unwarranted accumulation of property.

1.100 DELEGATIONS OF AUTHORITY AND RESPONSIBILITY

1.101 Authority and Responsibility.

Department Organization Order 20-1 delegates the authority and primary responsibility to the Departmental Property Management Officer (DPMO) to establish department-wide policies, regulations, and procedures for personal property. This includes the review, evaluation, and improvement of personal property management programs, functions, operations, and procedures.

1.102 Basis for Redelegations of Authority and Assignment of Responsibilities.

The authority to establish department-wide policies, regulations, and procedures for personal property management remains solely within the jurisdiction of the DPMO. However, to eliminate excessive delay and to reduce unnecessary involvement of multiple management levels in property management actions, it is necessary to redelegate specific authorities and reassign certain responsibilities. The Office of Administrative Operations has been assigned the responsibility to administer the functions of the DPMO described in section 1.101.

To further ensure that the personal property management responsibilities are being performed, specific redelegations of authority are made to the Heads of Departmental Operating Units as issued in Section 1.103 below.

1.103 Redelegations of Authority.

The following authorities are redelegated to the Heads of Operating Units. National Oceanic and Atmospheric Administration may further redelegate authority to the Administrative Support Centers (ASCs):

- a. Designating the Operating Unit Property Management Officer (PMO) and Property Accountability Officers (PAOs). Only one PMO is to be designated at the Operating Unit level.
- b. Authorizing exceptions for replacement standards for office machines, furniture, furnishings and other related equipment as set forth in FPMR 101-25.3 and FPMR 101-25.4.
- c. Authorizing additional systems or equipment for the procurement of motor vehicles or already owned Government vehicles as set forth in Federal Standards No. 122 and FPMR 101-38.400.
- d. Authorizing for official use the retention of abandoned or other unclaimed personal property, including voluntarily abandoned or forfeited property.
- e. Determining and reporting excess personal property to General Services Administration (GSA).
- f. Assigning or transferring excess personal property within the Department, to other Federal agencies, to wholly-owned or mixed-ownership Government corporations, to cost-reimbursable type contractors, or to authorized grantees.
- g. Authorizing transfer of title to Government-furnished personal property to contractors or grantees in accordance with the Public Law 95-224, Public Law 102-245, the Federal Grant and Cooperative Agreement Act of 1977, Section 7(b), and FAR 52.245.

Redelegations of authorities made in accordance with this section shall be in writing and shall be made available for audits, surveys, or as otherwise appropriate.

1.200 RESPONSIBILITIES

1.201 General Responsibilities.

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Heads of Operating Units are responsible for managing their personal property through a management structure comprised of PMOs, PAOs, and PCs. The responsibilities of the PMO, PAO, and PC should be assigned to separate individuals.

1.202 **Heads of Operating Units.**

The Heads of Operating Units are responsible for establishing and administering a property management program within their respective organization which will provide for:

- a. Creating and maintaining complete and accurate inventory control and accountability records;
- b. Providing for the proper care and security of personal property including storage, handling, and maintenance;
- c. Identifying property no longer required by the Operating Unit and making it available for transfer to other DOC activities;
- d. Ensuring that excess property is reported to GSA for transfer, donation, or disposal, as appropriate, under the provisions of the FPMR and PPMM;
- e. Submitting required personal property management reports;
- f. Ensuring that all accountable property is maintained in the Personal Property System (PPS);
- g. Advising employees of their responsibilities for Government property and providing training as needed; and
- h. Supporting general ledger control accounts for personal property by maintaining appropriate subsidiary accounts and records.

1.203 **Property Management Officer (PMO).**

The head of each Operating Unit will formally appoint a PMO with the responsibility and authority to account for the effective control, acquisition, use, and disposal of personal property. The PMO is responsible for:

- a. Providing direction, leadership, and general supervision in the implementation and maintenance of the property management program throughout the Operating Unit;
- b. Establishing and maintaining Operating Unit's regulations and procedures satisfying the requirements of the Department's PPMM and the various laws and regulations referenced therein;
- c. Defining the areas of accountability within the Operating Unit;
- d. Establishing and training the Operating Unit's property management network comprised of PAOs, PCs, and Property Boards of Review;
- e. Developing and implementing inventory schedules for Operating Unit's headquarters activities, monitoring

inventory progress, and reconciling property records with the financial accounting system;

- f. Ensuring that required reports are provided;
- g. Assigning, in writing, one or more PAOs to account for and control all of the Operating Unit's personal property within their assigned jurisdiction;
- h. Implementing procedures for the repair and rehabilitation of property within their Operating Unit;
- i. Providing PAOs with disposition instructions in accordance with the FPMR;
- j. Ensuring that excess property is deleted from the PPS after final disposition of the property; and
- k. Ensuring that lost, stolen, or damaged property is investigated in accordance with the PPMM, 4.900.

1.204 **Property Accountability Officer (PAO).**

The PAOs are responsible for:

- a. Ensuring the effective administration and maintenance of a system of control and accountability for personal property assigned to their accountability area;
- b. Defining custodial areas within the accountability area and appointing PCs;
- c. Ensuring that PCs have current records for assigned accountable property;
- d. Ensuring that physical inventories are taken, records are reconciled and discrepancies are investigated and resolved;
- e. Ensuring that CD-52s "Report of Review of Property" for lost, damaged, or destroyed personal property are promptly prepared and processed;
- f. Ensuring that property is fully utilized, safeguarded from misuse or theft, and that unneeded personal property is promptly reported for reutilization, redistribution, or disposal;
- g. Coordinating actions required by Property Boards of Review;
- h. Coordinating with the PMO criteria for replacing or upgrading over-age equipment;
- i. Ensuring that bar code labels are affixed on accountable property;
- j. Ensuring that additions, transfers and deletions are entered into the PPS in a timely manner (PCs should not be given this function); and
- k. Ensuring that survey reports for lost, damaged, or destroyed personal property are promptly prepared and processed.

1.205 **Property Custodian (PC).**

The PC for a respective PAO is responsible for the immediate physical custody of all personal property under their control. The appointment of a PC may or may not correspond to the individual's official job title. The PC is responsible for:

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- a. Maintaining current custodial records for all accountable personal property within their assigned custodial area;
 - b. Initiating or processing, in accordance with Operating Unit's procedures, documents affecting the accountability or custody of personal property;
 - c. Ensuring that personal property has proper maintenance and protection, and is used only for official purposes;
 - d. Identifying and reporting to the PAO any property excess to the needs of the custodial area;
 - e. Promptly submitting survey reports for lost, damaged, or destroyed property;
 - f. Affixing bar code labels on accountable property;
 - g. Assisting, when necessary, with conducting physical inventories and reconciling inventory records; and
 - h. Assisting with exit clearance procedures to ensure that all assigned property is accounted for.
- (3) Reporting immediately to superiors any personal property out of service, lost, or missing.

1.206 Department Employees.

Each employee of the Department who uses, supervises the use of, or has control over Government property, is responsible for that property. This responsibility may take either or both of the following forms:

- a. Supervisory responsibility obligates an officer-in-charge, administrative officer, or a supervisor to establish and enforce administrative and security measures necessary to ensure proper protection and use of all Government property under their jurisdiction. Supervisors are also responsible for:
 - (1) Ensuring that accountability methods are in place for personal property that falls under the \$2,500 accountability threshold;
 - (2) Notifying the PC when personal property becomes excess;
 - (3) Notifying the PC when personal property is lost or missing; and
 - (4) Ensuring that personal property, including property scheduled for abandonment or destruction, is only acquired for official Government use and not for personal use.
- b. Employee responsibility obligates each employee of the Department to properly care for, handle, use and protect Government property issued to or assigned for employee use at or away from the office or station. Responsibilities include:
 - (1) Ensuring the proper use, care, and protection of all personal property in their possession, custody, or control;
 - (2) Ensuring that personal property in their possession, custody, or control is used only for Government purposes, and not for personal or private use; and

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CHAPTER 3. UTILIZATION OF PERSONAL PROPERTY

3.000 GENERAL PROVISIONS

3.001 Scope of Chapter.

This Chapter implements Federal Property Management Regulation (FPMR) Part 101-43 governing the economic and efficient utilization of personal property.

3.002 Policy.

The Department of Commerce (Office of Administrative Operations) will develop and promote an economical and efficient program for the maximum utilization of personal property. The program shall include:

- a. Proper maintenance, repair, and rehabilitation of personal property, in order to extend its useful life; and
- b. Reassignment and reuse of personal property, thus avoiding unjustifiable new procurement.

3.003 Definitions.

The following definitions are established for terms used in this Chapter:

- a. Department Excess - Personal property no longer required by the Department of Commerce.
- b. Departmental Personal Property System (PPS) - An on-line personal property accountability system used to maintain inventory and data on personal property.
- c. Screening - A process which allows internal or other agencies to inspect another's excess property for further utilization before being reported to the General Services Administration (GSA).

3.100 UTILIZATION OF EXCESS PERSONAL PROPERTY

3.101 Policy.

Each Operating Unit's first source for supply of personal property is existing inventory, available excess personal property within the Department, or excess property available from other Government agencies.

Authority to purchase or rent new items will be exercised only after determining that excess or other property is not available by the Property Management Officer (PMO).

3.200 EQUIPMENT LOANING

3.201 Loaning of Personal Property.

Personal property (except motor vehicles) may be loaned on a temporary basis within the Department and to other Federal agencies when approved by the PMO or his/her designee. Personal property may be loaned to other Federal agencies provided:

- a. A loan agreement is issued.
- b. The property is not excess to the Department.
- c. The loan is for a specified period of time not to exceed one year.

3.202 Loan Arrangements with Non-Federal Agencies.

Loans can be made by the PMO to non-profit educational institutions for collaborative research work.

Loans can be made to local non-federal institutions only in emergencies involving threat to human life or prevention of suffering, until institutions have a reasonable opportunity for the institutions to obtain replacement.

3.300 REASSIGNMENT OF PERSONAL PROPERTY

3.301 Reassignment of Personal Property.

Personal property classified as excess by an Operating Unit will be made available to other Operating Units by circulation of Standard Form 120 (SF-120), "Report of Excess Personal Property" or other appropriate means (e.g. automated reporting systems) as provided in this section.

Personal property being reported as excess by Operating Units for transfer or disposal shall be screened for twenty days prior to reporting to GSA. Excess property shall be reported to GSA in accordance with the requirements of FPMR 101-43.304.

If another Operating Unit needs the property, a request for transfer (SF-50) shall be submitted directly to the reporting activity. Transfers of excess property within the Department will be without reimbursement.

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Direct costs incurred for a transfer (i.e., packing, preparation for shipment, loading and transportation) will be borne by the requesting activity. Operating Units will make such property available for Federal utilization in accordance with the requirements of FPMR 101-43.309.

3.302 Reassignment of Property Within the Operating Units.

Each Operating Unit is authorized to determine the internal reassignment procedures best suited to its particular requirements.

3.400 REPLACEMENT OF PERSONAL PROPERTY

3.401 Replacement Standards.

Consideration should be given to use of replacement standards when:

- a. The cost of any single repair or rehabilitation job exceeds 80% of the replacement cost of a comparable new model.
- b. There is written justification to support replacement such as:
 - (1) History of continuous breakdowns that cause a loss of productivity through downtime;
 - (2) Excessive repair costs;
 - (3) Excessive downtime awaiting repair parts; or
 - (4) Requirement to update in order to perform a particular agency function.

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CHAPTER 4. PERSONAL PROPERTY ACCOUNTABILITY

4.000 GENERAL PROVISIONS

4.001 Scope of Chapter.

This Chapter establishes Departmental policies for the accountability and control of personal property and general requirements to be followed in establishing and maintaining programs for personal property.

4.002 Definitions.

The following definitions are established for terms used in this chapter:

- a. Accountability Area. A specifically defined organizational location in which personal property accountability is assigned to a designated Property Accountability Officer.
- b. Custodial Area. A subdivision of a property accountability area, defined by organizational limits, for which a Property Custodian has been designated.
- c. Departmental Personal Property System (PPS) - An on-line personal property accountability system used to maintain data on personal property.
- d. Personal Property - Property of any kind or interest therein, except real and related property (as defined in FPMR 101- 43.001-27), records of the Federal Government, and naval vessels, cruisers, aircraft carriers, destroyers, and submarines (FPMR 101-43.001-23).
- e. Property Board of Review - A standing or Ad Hoc Committee, appointed by the Property Management Officer, consisting of three to five members who are responsible for examining facts to determine and establish the extent of personal liability for lost or damaged property and authorizing the removal of items from official property records.

4.100 RECORDS AND FINANCIAL ACCOUNTS

4.101 Integration of Personal Property Records and Financial Accounts.

Effective personal property accounting requires an integration of personal property records and financial accounts. The following requirements for achieving such integration are extracted from the Department's Handbook of Accounting Principles and Standards, Appendix B:

- a. Monetary control shall be established in a system of general and subsidiary ledger accounts so that these

accounts summarize the investment in and the depreciated value of fixed assets for which the Department is responsible, and the current value of expendable property for which inventory will be maintained.

- b. Common classifications should be used for both accounting and property management purposes, and shall identify types of property for which reports of value of property must be regularly reported to the Congress or other Federal agencies. The account structure will provide separate classifications for property in use, property not in use, and related accounts for accumulated depreciation or amortization with the following subclassifications:
 - Motor Vehicles
 - Ships
 - Aircraft
 - ADP Equipment
 - Office Furniture and Equipment
 - Other Machinery and Equipment
 - Other Fixed Assets
 - Inventories
 - Other Current Assets
 - Excess Property
 - Surplus Property
- c. Identifiable spare parts packages of significant value acquired with a unit of personal property should be controlled through a separate "spare parts" account.
- d. Personal property management procedures shall be fully coordinated with the personal property accounting procedures. Procurement, personal property, records maintenance, and related accounting operations should be so integrated that entries to the unit personal property records and the control accounts can be accomplished from the same document.
- e. The accounts and supporting unit's personal property records shall be maintained in a form which will provide all needed data for effective personal property management (i.e., location, procurement, utilization, and disposal) including cost data which management can use in its overall program planning, evaluation, and control functions. Primary Operating Unit's accounting systems should set forth the information and methods to be used in determining both inventory and equipment requirements for budgetary and procurement purposes.
- f. Original documents pertaining to the acquisition of personal property and its cost must be retained for 5 years.

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responsible for the security of personal property below this level and should use a responsible method to ensure its accountability.

4.200 ACCOUNTING FOR DIFFERENT TYPES OF PERSONAL PROPERTY

4.201 Accountable Personal Property.

It is the policy of the Department that accountability be maintained for the following types of property:

- a. Accountable property, which is:
 - (1) All capitalized personal property;
 - (2) All office furniture and equipment having a unit cost of \$2,500 or more*;
 - (3) All sensitive items, as described in PPMM 4.400;
 - (4) All borrowed or leased personal property; and
 - (5) All contractor, grantee, accountable or sensitive personal property.
- b. Material inventories where the value is controlled by general ledger accounts.

4.202 Classification of Accountable Personal Property.

Responsibility for control of all accountable personal property shall be formally assigned to an individual and official property records must be maintained as set forth in this chapter. For accounting purposes personal property should be classified and treated as described in the following subparagraphs.

4.203 Non-expendable Personal Property.

Personal Property has a normal life expectancy of more than one year; has continuing use as a self-contained unit; is not consumed in use; does not lose its identity when put to use; or does not ordinarily become a non-severable component of other personal property.

4.204 Capitalized Personal Property.

Non-expendable personal property has a value which is charged to an asset account (general ledger control account), and is accounted for during the life of the property. The Department's capitalization policy is set forth in 4.300.

* Accountable personal property with an acquisition cost of \$2,500 represents the minimum dollar level which must be accounted for. Supervisors are

4.205 Non-Capitalized Personal Property.

Non-expendable personal property, has a value which is charged to an expense account either when issued for use or at time of receipt, is accounted for during the life of the property.

4.206 Expendable Personal Property.

Personal Property, when put to use, is consumed, loses its identity, or becomes an integral part of other property, is charged to an expense account when issued for use or at time of receipt.

4.300 CAPITALIZATION PRINCIPLES

4.301 Standards for Capitalization.

This section sets forth policies for personal property that is to be capitalized and non-capitalized. The Department's Handbook of Accounting Principles and Standards contains capitalization policy.

4.302 Personal Property Capitalized Based on Cost.

Except for the types of items specified in 4.401, items of non-expendable personal property having an acquisition cost of \$200,000 or more should be capitalized.

The dollar threshold of \$200,000 for capitalized property should not be revised upward or downward unless specifically approved by the Chief Financial Officer and Assistant Secretary for Administration.

4.303 Personal Property Not Required to be Capitalized.

The following types of property should not be capitalized regardless of cost:

- a. General purpose office furniture (except class A furniture);
- b. Individual rugs costing less than \$200,000;
- c. Panels and office partitions; and
- d. Free standing storage shelving.

4.400 CONTROL OF SENSITIVE ITEMS

4.401 Sensitive Items.

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Non-expendable items that may be converted to private use, or have a high potential for theft shall be recorded and controlled as accountable equipment. For the purpose of this Manual, such items are referred to as sensitive items. Regardless of cost the following sensitive items include, but are not limited to:

- Photocopy Machines
- Video Cameras
- Video Cassette Recorders
- Televisions
- Automatic Data Processing Equipment (Personal Computers Systems, External Modems and Disk drives, Printers, and Plotters)
- Facsimile Machines
- Portable and Cellular Telephones
- All firearms

4.500 PRICING OF PERSONAL PROPERTY FOR ACCOUNTING PURPOSES

4.501 Pricing Purposes for Accounting.

An essential element of personal property accounting is the determination of the cost to be used in recording personal property in the accounts. Establishment of the standards and methods to be used in determining personal property cost is a function of the Department's financial accounting activities. To the extent that personal property management activities are required to reflect cost on personal property records and transaction documents, these activities should use pricing instructions provided by their servicing financial accounting activity. Departmental standards for determining personal property cost are set forth in the Department's Handbook of Accounting Principles and Standards, Appendix B.

4.600 DEPRECIATION OF CAPITALIZED PROPERTY

4.601 Depreciation.

The primary purpose of depreciation is to distribute the cost of capitalized property assets over the useful life to activities benefiting from their use. Each accounting system within the Department is required to recognize and record depreciation on all capitalized property assets, and to give full recognition to obsolescence when establishing useful lives of capitalized property assets. Each system is also required to record the location and use of property in sufficient detail to permit distribution of depreciation charges to the cost centers where the related personal property is assigned.

Establishment of standards and methods for depreciation is a function of the Department's financial accounting activities. Personal property management activities will ensure that personal property records contain such information as is required for depreciation purposes.

4.700 PROPERTY TRANSACTIONS AND DOCUMENTATION

4.701 Standards for Processing Property Transactions.

This section establishes Departmental policies and requirements for processing and documenting transactions affecting property accounts and records.

4.702 Policy.

It is the policy of the Department that all transactions affecting personal property accounts and records be recorded on appropriate documents and posted in a timely manner. Operating Unit PAOs shall designate, by name or position, those individuals authorized to sign or approve property transaction documents and shall notify the OAO of these designations.

4.703 Receipts.

All receipts of personal property shall be documented, whether such personal property is acquired from Government or commercial sources, donated, recovered, or obtained by transfer from another agency. Personal property received should be recorded on a receiving report to provide a data entry document to the accounts and records and to substantiate the disbursement voucher. PAOs will establish prescribed accountability records for all accountable property acquired immediately upon receipt of documents evidencing the receipt of such property.

4.704 Removal from an Accountability Area.

All actions that remove accountable personal property from the records of an accountability area shall be documented. Removal actions include transfers between Department PAOs, transfers to other Federal agencies, physical losses, and disposal. Transfers must be documented on Form CD-50, "Personal Property Control", CD-509, "Property Transaction Request", or other forms approved for this purpose by the Department PMO. Transfers of excess property to another Federal agency shall be documented on Standard Form 122, "Transfer Order Excess Personal Property", or any other transfer order form approved by GSA. Transfers to Local

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States shall be documented on Standard Form 123, "Transfer Order Surplus Personal Property". Transfers to other Federal agencies that are not the result of an excess action and loans of property, shall be documented as stated above and approved by both PMOs. Required documentation of losses and disposal is covered in 4.707 and 4.708.

4.705 Adjustments to Records and Accounts.

When discrepancies exist between property accountability records and property financial accounts, prompt action must be taken to correct record balances. Adjustment actions may be used only when transaction documents have not been processed or discrepancies where property cannot be located. Adjustments must be documented. Heads of Operating Units must designate in writing those individuals authorized to approve adjustment actions. However, individuals who are directly responsible for property control or storage functions shall not be delegated such authority. If misappropriation of property is suspected, a survey report is required as prescribed below in 4.706.

4.706 Reports of Survey for Lost, Damaged, or Destroyed Property.

Accountable property that is lost, damaged, or destroyed shall be removed from the property records and accounts only when documented on a report of survey. Form CD-52, "Report of Review of Property", or other appropriate forms approved by the DPMO, shall be used for this purpose. Requirements for Property Boards of Review and reports of survey are set forth in 4.900 of this PPMM.

4.707 Turn-Ins and Reporting of Excess Personal Property.

All property (whether accountable or not) that is no longer needed by an office should be turned in to the PC, together with Form CD-50, "Personal Property Control" or CD-509, "Property Transaction Request" for redistribution or disposal. Such forms shall be used to make changes to the records and accounts for accountable property, and should also be used to establish records of property stored for subsequent redistribution or disposal.

4.708 Disposal of Property.

The disposal of property by donation, sale, abandonment, destruction or exchange of property shall be documented. Forms to be used for documenting donations and sales are prescribed in FPMR 101-44 and 101-45. Form CD-52, "Report of Review of Property", or other appropriate forms approved by the DPMO, shall be used to document

disposal by abandonment or destruction unless approval by GSA has been obtained. Property exchanges must be documented on Form CD-50, "Personal Property Control," CD-509, "Property Transaction Request," or other appropriate form.

4.800 RECONCILIATION OF PROPERTY ACCOUNTABILITY RECORDS AND FINANCIAL ACCOUNTS

4.801 Reconciliation of Property Records.

Property accountability records shall be reconciled periodically with the financial control accounts in accordance with procedures established by servicing financial accounting activities. Adjustments required as a result of such reconciliation shall be documented as prescribed in 4.700 of this PPMM, and must be posted promptly to the records and accounts.

4.802 Policy.

Operating Units shall maintain personal property control and accountability within the Departmental PPS unless the DPMO has authorized a waiver from using the PPS.

4.803 Establishment and Maintenance of Control and Accountability.

Control and accountability of accountable personal property shall be established in the PPS upon the receipt of such property, and shall be maintained until disposal of the property.

All actions affecting the control and accountability of accountable property shall be supported by appropriate authorized transaction documents, as prescribed in 4.700 of this PPMM.

4.804 Records of Accountable Property.

Accountable property shall be recorded on an item-level basis (i.e., each individual item is a separate record). However, when considered advantageous to do so, records for some items may be maintained on a system-level basis.

a. The system-level method may be used when:

- (1) Two or more individual items (equipment components) are part of a system; and
- (2) The system is considered to be incomplete or inoperable in the absence of any one of its component equipment items. Under the system-level method, the entire system may be recorded as a single record unit.

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- b. Records of accountable property must contain the following:
- (1) Item description;
 - (2) National stock number
 - (3) Serial number;
 - (4) Location (at least as to custodial area); and
 - (5) Cost and other data required to support the financial accounts.

4.805 Custodial Control of Accountable Property.

The number of PCs appropriate for any given accountability area is left to the discretion of the PAOs. PAOs shall maintain, for each PC, signed listings or documents that evidence the assumption of custodial responsibility by PCs.

PCs must:

- a. obtain or establish adequate records to control personal property for which they are responsible;
- b. maintain a record of the detailed location of each item of property assigned to the PC unless accountability records reflect such current information;
- c. maintain signed listings or documents evidencing assignment of sensitive items to individual employees as described in section 4.401 of this PPMM and those items that fall under the mandatory accountability threshold of \$2,500 or more; and
- d. inventory sensitive items from employees leaving the Department.

4.806 Marking of Accountable Property.

All accountable Government property must be bar coded to identify it as U.S. Government property (bar code labels may be purchased from the DOC warehouse).

4.807 Physical Inventories.

Physical inventories of accountable personal property are scheduled by the PMO for each Operating Unit.

Physical inventories must be completed at regular intervals, generally at least once a year or a cycle commensurate with the value of the personal property and the complexity of operations of the Operating Unit. Property management activities and financial accounting activities should coordinate the establishment of schedules and procedures for taking such inventories. Inventory determinations should be made for all classes of property and applied on a consistent basis from one fiscal year to another. Adjustments required must be documented as prescribed in 4.700 of this PPMM and posted promptly to the records and accounts.

It is the responsibility of the PAO to assign personnel to conduct physical inventories. PCs may assist with physical inventories as considered necessary and appropriate by the PAO. A PC, whenever possible, shall not be given the sole responsibility for taking a physical inventory of property assigned to his/her custodial area. Exceptions to this policy must be approved by the Operating Unit's PMO.

4.900 PROPERTY BOARD OF REVIEW SYSTEM

4.901 Standard for Property Boards of Review.

This part establishes the authorities and responsibilities each Operating Unit's PMO regarding circumstances surrounding loss, theft, damage, destruction, or other circumstances adversely affecting personal property. It authorizes the appointment of a Property Board of Review which examines facts to determine and establish the extent of personal liability based upon findings.

4.902 Policy.

Any incident of loss, theft, damage, destruction, or other condition adversely affecting property shall be reported by the respective PMO to the Department's security office for the investigation of circumstances surrounding the lost or damaged property. All investigating facts shall be referred to the Operating Unit's PMO who shall establish or convene a Property Board of Review. Based on the following circumstances a Property Board of Review shall be established by the PMO:

- a. The incident is known or suspected to be the result of willful intent or gross negligence, regardless of the property value; or
- b. The item of property involved has an original acquisition cost of \$2,500 or more (with consideration also given to fair market value of the property) unless the PMO certifies in writing that the particular circumstances clearly indicate that a review is unwarranted. This would be the case when there is no reason to suspect neglect, misuse, or theft, such as cases of apparent inventory processing discrepancies.

The review action must include a finding on the extent of the employee's responsibility.

Recurring irregularities in a single location or property account shall be referred for formal investigation to a Property Board of Review.

4.903 Establishment of Property Boards of Review.

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The PMO of each Operating Unit shall appoint, as necessary, a Property Board of Review at the level of local, regional, or central administration, depending upon the degree of decentralization of property accountability.

A Property Board of Review typically consists of three or more members, one of whom shall be designated as Chairman. In the absence of a justifiable determination to the contrary, PMOs, PAOs, and PCs shall not serve on a Property Board of Review. The PMO or PAO may act, however, in an advisory capacity.

It is the responsibility of each member of the Property Board of Review to exercise independent judgement, free from influence by recommendations or suggestions of other board members, employees, or superiors. Extreme caution should be taken by board members in rendering recommendations concerning the disposition of Government-owned property since actions are always subject to review. Findings should be based on actual investigations, review of pertinent documents, and consideration of all available evidence.

4.904 Reporting Property for Board Review Actions.

Form CD-52, Report of Review of Property, or other appropriate forms approved by the DPMO, shall be used for reporting property for Board of Review actions. Copies of these reports must be furnished to the PAO for proper recording in the financial accounts and property records.

4.905 Responsibility of Property Board of Review.

Operating Unit's PMO shall determine when actions are required by a Property Board of Review in cases of missing, damaged or destroyed personal property.

Reports of Review shall be comprehensive, as required by the type of case being reported, in advising:

- a. Circumstances for reporting;
- b. Responsibility for reported condition of property;
- c. Determination of negligence, intent to defraud, or misconduct;
- d. Action taken to recover property; and
- e. Action by legal or law enforcement officers, if any.

Where the facts reported by a Board of Review indicate liability of nongovernment personnel for loss, damage, theft, or destruction of Government property, a copy of the report shall be provided to the appropriate legal office for action.

4.906 Lost, Stolen, Damaged, or Destroyed Property.

The PC assigned responsibility for property that is missing, stolen, damaged or destroyed, shall complete the appropriate portion of Form CD-52 and forward it through the PAO to the PMO. The Property Board of Review will review the circumstances surrounding the loss, theft, damage, or destruction of the property and forward the CD-52 with results of the Board's findings and recommendations to the PMO.

4.907 Recommendation of Liability for Employees.

When Government property is lost, stolen, damaged or destroyed, the Board will determine whether the employee(s) involved was negligent, and whether such negligence resulted in the loss, damage, theft, or destruction of Government property. In any instance where the employee's negligence resulted in loss, theft, damage or destruction of Government property, the Board will use the following guidelines to develop findings which recommend the amount of financial liability to be charged to the employee.

- a. Employees will not be determined to be liable for loss, damage or destruction attributable to inadequate supervision or instruction, negligence or inherent defects in the property.
- b. Under circumstances other than the above, a recommendation to hold an employee liable will be made when facts show:
 - (1) That the property was missing, damaged or destroyed as a result of its being used for other than official purposes;
 - (2) That the loss, damage or destruction was due to simple or ordinary neglect or negligence, which is an act or the failure of the employee to exercise the degree of precaution, attention and vigilance necessary to protect the interest of the Government; and
 - (3) That the loss, damage or destruction was due to gross negligence, which is an act or omission of the employee's willful negligence, or a wanton and reckless disregard for property.
- c. Whenever there are dissenting opinions from the findings and recommendations among the members of the Board of Review, the majority opinion will be the recommendation of the Board. The minority view will be appended to the report for the PMO.
- d. An employee has the right to have an adverse finding reviewed by higher authority. A request by the employee for such review will be submitted in writing to the PMO and will set forth in detail the specific reasons that the findings should be reviewed. The PMO will forward the request, his/her comments and the complete Board of Review record to the reviewing authority. The decision of the reviewing authority shall be final.

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4.908 Determining the Amount of Financial Liability.

When the Property Board of Review recommends that an employee shall be held liable for property loss, damage or destruction, the Board will determine and specify in writing the exact dollar amount of financial liability for which the employee should be responsible. The amount of liability shall be determined as follows:

a. Simple negligence (excluding motor vehicle liability): The amount of financial liability assessed the employee by the Property Board of Review in cases where property loss, damage or destruction was the result of simple or ordinary negligence shall be:

- (1) Damage. The estimated or actual cost of repairs for damage that was a direct result of the incident, regardless of whether or not the property was repaired; or, the replacement cost for a comparable item, whichever is less. Consideration should be given to original acquisition cost, current fair market value, expected useful life, depreciation, condition and age, and value to the Government, as compared to replacement costs for a comparable item. In no case will the Board assess the employee more than one month's scheduled pay; and
- (2) Loss or destruction. The amount of liability for property which was lost or destroyed as a result of simple negligence will be the value of the property lost or destroyed, based upon the original acquisition cost, current fair market value, expected useful life, depreciation, condition and age, credit for salvage, and value of the property to the Government at the time of its loss or destruction.

Replacement costs may also be considered if the cost of a comparable replacement item is less than the original acquisition cost of the property lost or destroyed, or the depreciated value of the property in question. In no case will the Board assess the employee more than one month's scheduled pay.

b. Simple negligence (motor vehicles): When a Property Board of Review finds that an employee is responsible for loss, damage, or destruction of a Government motor vehicle, as a result of simple negligence, the employee shall be held financially liable for either \$200, or the amount of loss, damage, or destruction, whichever is less. In determining the amount of loss, damage or destruction, the Board must consider such factors as original acquisition cost, current fair market value, expected useful life, depreciation, condition and age, credit for salvage, and value to the Government at the time of its loss or destruction.

Note: This policy is established because the Government is a self-insurer of motor vehicles, and employees are unable to protect themselves from catastrophic losses from motor vehicle accidents as they would be able to do in the private sector. The maximum amount of liability is based upon the standard insurance industry deductible which would apply if an employee were operating his/her privately-owned vehicle.

c. Gross negligence: When a Property Board of Review recommends that an employee be held liable for property loss, damage or destruction resulting from gross negligence of the employee, the amount of liability shall be determined as follows:

- (1) Damage. Financial liability for property damage shall be the estimated or actual cost of repairs for damage that was a direct result of the incident, regardless of whether or not the property is repaired. The loss suffered by the Government is determined by taking into consideration such factors as original acquisition cost, current fair market value, expected useful life, condition and age, depreciation, credit for salvage, and amount of reimbursement required to make the Government whole.
- (2) Loss or Destruction. Financial liability for property loss or destruction shall be estimated using the fair market value of the property, taking into consideration such factors as original acquisition cost, current fair market value, expected useful life, condition and age, depreciation, and value to the Government at the time of its loss or destruction. The employee shall be held financially liable for the full amount of the loss suffered by the Government.

4.909 Reviewing Authority for Property Boards of Review Reports.

The reviewing authority for Review Reports shall be the Head of the Operating Unit or office or designee, depending on the organizational level to which the property was assigned. In all cases, the reviewing authority must be at least one organizational level higher than the one at which the property was assigned.

4.910 Findings of Property Boards of Review.

Findings of a Board shall be final and are not subject to change or modification by the PMO. The line manager may return a Board finding for reasons of technical insufficiency or inadequate documentation. If the PMO disagrees with the Board findings, he/she will prepare a written statement outlining reasons for such disagreement, which will become an attachment to the report findings.

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The report findings, along with the PMO's statement, shall be forwarded to the approving authority for resolution.

4.911 Billing the Employee.

When the Property Board of Review findings recommend holding an employee financially liable, the PMO, if in agreement, shall initiate action to bill the employee for the amount involved. Payment of such billing does not convey title to the property; rather, payment should be construed simply as reimbursement required to make the Government whole.

4.912 Establishing Receivable Accounts.

Operating Units will establish administrative procedures for notifying the accounting office of employee liability. A copy of the approved Review Report, which specifies the amount of financial liability, must be forwarded to the accounting office, with a memorandum requesting that the employee be billed for the amount liable. This memorandum, which is the determination of indebtedness, shall be signed or concurred with in writing by the Head of the bureau/office or designee.

- a. U.S. Government billings for financial liability must be in accordance with the Debt Collection Act of 1982 (P.L. 97-365).
- b. If an employee found by the Board to be financially liable is no longer employed by the agency in which the loss, damage or destruction occurred, the PAO will forward all pertinent papers to the PMO. The PMO will provide the Review Report, with a letter of explanation, to the head of the employing office or designee, requesting that action be taken to collect the amount of indebtedness.

4.913 Responsibility of the PAO.

Upon completion of the Property Board of Review action, the entire file should be forwarded to the PAO for coordination of the appropriate action required by the report. When the accountable official is responsible for the property involved in the report, the final action will be completed under the direction of the approving official.

Files supporting the removal of cannibalized items from property records must be signed and approved by the Board of Review and such information should be made available to auditors upon request.

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CHAPTER 5. DISPOSAL OF PERSONAL PROPERTY

5.000 GENERAL PROVISIONS

5.001 Scope of Chapter.

This Chapter provides the policies and procedures for the disposal of excess personal property by the Department under the Federal Property Management Regulations (FPMR 101-43), Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710(i)) and Executive Order 12821.

The policies and procedures apply to the reporting of excess personal property and disposal of surplus property by transfer, public sale, abandonment, or destruction.

5.003 Definitions.

The following definitions are established for terms used in this Chapter:

- a. Cannibalization - The removal of parts of an unusable piece of property to be used to repair a like item.
- b. Education-Related Federal Equipment - excess or surplus personal computers and related peripheral equipment, research equipment, and education-related equipment that is appropriate for use in mathematics and science curricula in elementary and secondary school education or higher education.
- c. Elementary and Secondary Schools - individual public or private educational institutions encompassing kindergarten through twelfth grade, as well as public school districts. (Reference Executive Order 12821 of November 16, 1992.)
- d. Excess Property - property no longer needed by the Department, which is available for transfer to other Federal departments and agencies.
- e. Receiving Report - A procurement and property accounting record which acknowledges receipt by the accountable area of property or services from a vendor or other source.
- f. Replacement Standard - An established measurement of an item of property's performance and utility, the result of which determines if a new item should be acquired to substitute for the one currently in use.
- g. Research Equipment - excess or surplus Federal property appropriate for mathematics and science education activities at the elementary and secondary education levels or higher.
- h. Surplus Property - Excess personal property for which there is no longer a need in the Federal Government.

- i. Surplus Release Date - For property reportable to GSA as set forth in FPMR 101-43.49, the surplus release date is established by GSA and is normally 60 days after receipt of the report of excess personal property by GSA. For property exempted from reporting to GSA, the surplus release date is 21 calendar days following the date of the determination by the holding Operating Unit that the property is excess to its requirements and is available for screening as excess.

5.100 REPORTING REQUIREMENTS

5.101 Reporting (FPMR 101-43.304).

The applicable PMO, or a designee, is authorized to report to the appropriate GSA regional office personal property that has been determined to be excess to the needs of the Department of Commerce.

The GSA regional office should be made aware at the time of reporting of any instances where delays in disposition of reported property will create a storage problem. If GSA does not furnish disposition instructions within a reasonable period of time, and the matter cannot be resolved locally, the Departmental Property Management Officer (DPMO) should be notified by letter. Copies of correspondence to the GSA office, if any, should be attached to the letter.

5.102 Property Not Required To Be Formally Reported (FPMR 101-43.305).

The following property is not required to be formally reported:

- a. Nonreportable property is listed in FPMR 101-43.4801. The holding Operating Unit determines if excess personal property is nonreportable when the utilization screening period begins (FPMR 101-43.001-30), and establishes the surplus release date (FPMR 101-43.311-2).

During the utilization screening period (usually 21 days) information concerning the property must be made available when requested by GSA or other Federal agencies.

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Nonreportable property which is not reutilized by the federal government will be held for donation screening by GSA in accordance with FPMR 101-43.311-3. A determination of surplus will be made in writing and become a part of the items' disposal file.

- b. The following excess property shall not be reported in accordance with FPMR 101-43.305 or unless otherwise directed by GSA:
- (1) Perishable items;
 - (2) Property dangerous to the public health and safety;
 - (3) Scrap or salvage property;
 - (4) Property classified as national security material;
 - (5) Property determined nonreportable by GSA due to disposal condition code;
 - (6) Reportable property which, prior to reporting, is transferred directly between Federal agencies to fill a known need; and
 - (7) Trading stamps and bonus goods (see FPMR 101-25.103-3).

5.103 Items Requiring Special Handling (FPMR 101-43.307).

The following items require special handling:

- a. Excess machinery, equipment, material, and supplies for printing, binding and blankbook work should be reported to OAO for approval of disposal action prior to the initiation of SF-120.
- b. Classified personal property that is excess to DOC's needs shall be stripped of all characteristics which caused it to be classified, or otherwise rendered unclassified, prior to disposal. Declassification shall be accomplished in a manner which will preserve, so far as practicable, the utility or commercial value of the property.
- c. Excess automatic data processing equipment (ADPE) below \$1 million shall be reported to the Office of Information Resources Management (OIRM), for interagency screening and disposition (see DOC OIRM Handbook.) Excess ADPE above \$1 million shall be reported to GSA for possible reutilization in accordance with the provision of Federal Information Resources Management Resource 201-33 (41 Code of Federal Regulations.)

5.200 DETERMINATION OF EXCESS AS SURPLUS

5.201 Reportable Property (FPMR 101-43.311-1).

Excess personal property becomes surplus 60 days after receipt of the SF 120 by the GSA regional Property

Utilization Office if the property has not been transferred to another Federal agency.

5.202 Intra-Departmental Reporting of Excess Personal Property.

Operating Units shall circulate data on selected excess property to the other Operating Unit's headquarters. Descriptive listings containing sufficient data to identify the item, its condition, location, and the office to be notified if the item is desired, shall be prepared and distributed with the SF-120 to GSA after Departmental screening:

- a. Items selected for inclusion on the listings should have high potential for utilization, should be in a condition which does not impair the utility of the item, and can be utilized with little or no repair (this corresponds to GSA's minimum reportable condition code in FPMR 101-43.4801). Items in condition codes not meeting these minimum reporting conditions may be listed by Operating Units if unusual procurement circumstances warrant their inclusion. A period of 30 calendar days shall be allowed for Department screening.
- b. If another Operating Unit needs the property it will ask the reporting Operating Unit to withdraw the item previously reported as excess to GSA (FPMR 101-43.308). SF 122, Transfer Order Excess Personal Property, will be used to document the intra-departmental transfer. This form will be completed as shown in FPMR 101-43.4901-122-1 except that blocks 3 and 14 are not required. Operating Unit's PMO will coordinate reutilization for specialized equipment (ADPE or telecommunications, for instance) with the respective Operating Unit having responsibility for the equipment.

5.203 Withdrawals and Corrections of Excess Reports.

Requests to withdraw reported excess property shall be so indicated on SF-120 and submitted to the regional GSA office where the original report of excess was forwarded. Disposition of subject property shall not be made until after withdrawal approval is received from GSA.

Corrected reports of excess property shall be prepared and identified as such on SF-120 and shall then be forwarded to the GSA office where the original report of excess was submitted.

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5.300 USE OF EXCESS PERSONAL PROPERTY ON COST-REIMBURSEMENT

5.301 Cost-Reimbursement Contracts (FPMR 101-43-312).

Title to property used on cost-reimbursement contracts remains vested with the Operating Unit, and the justification, acquisition, utilization, accountability, maintenance, repair, and disposal of such property will be in accordance with all FPMR and PPMM requirements. Since the purpose of providing such property is to lower contract costs, there must be written evidence that the use of such property achieves that goal. See Chapter 6 of this PPMM.

5.400 NON-FEDERAL AGENCY SCREENERS

5.401 Certification of Non-Federal Agency Screeners (FPMR 101-43.315).

Operating Units shall maintain a record of the number of certified non-Federal agency screeners operating under their authority and shall immediately notify the appropriate GSA regional office of any changes in screening arrangements.

5.402 Transfer of Surplus Property to Local States.

Local States wanting surplus property must prepare a SF-123, "Transfer Order Surplus Personal Property", and forward it to the appropriate GSA office for approval or disapproval. GSA will prepare and forward disposition instructions to the reporting activity .

5.500 UTILIZATION OF FOREIGN EXCESS PERSONAL PROPERTY

5.501 Responsibilities of Holding Operating Units (FPMR 101-43.502).

Excess property for which no need exists within the Operating Unit or for which reassignment within the Operating Unit would be uneconomical will be offered for utilization to other Operating Units and other Federal agencies within the same geographic overseas area. This may be accomplished either telephonically or by use of a circular.

When there is no utilization potential within the same geographic area, the Operating Unit's PMO will determine whether or not to return the property to the United States. Generally, a grouped lot of excess

property, with an original acquisition value of less than \$1000, should not be considered for return for further utilization within the DOC, by other Federal agencies, or for donation, based on such factors as cost, residual value, usefulness in on-going or future programs, condition, and cost of transportation.

If foreign excess property is to be returned to the United States, the property shall be reported on SF-120, Report of Excess Personal Property, and SF 120A, Continuation Sheet, to the PMO of the appropriate Operating Unit. Information should be provided on location and available transportation facilities in addition to the detailed descriptions required by FPMR 101-43.4801. The responsible PMO will circulate the SF-120 to the other PMOs if the property is excess to that Operating Unit.

5.600 DONATION, SALE, ABANDONMENT, OR DESTRUCTION OF SURPLUS PERSONAL PROPERTY

5.601 Donation of Personal Property (FPMR 101-44).

The Department shall cooperate with all public agencies and their accredited representatives authorized to participate in the donation program.

5.602 Donations of Foreign Excess Personal Property.

After utilization screening but prior to disposal in the foreign area, property shall be considered available for return to the United States as provided in FPMR 101-44.3 and Chapter 3 of this Manual.

5.603 Donations of Property to Public Bodies.

When property is donated to a non-Federal public body, all identification markings which indicate that the property was previously owned by the Federal Government shall be removed prior to release to the donee.

5.604 Sale of Surplus Property by GSA (FPMR 101-45.3).

GSA will act as the single sales agency of DOC excess personal property.

5.605 Responsibilities of Holding Operating Units .

Holding Operating Units shall be responsible for the following activities:

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- a. Ensuring that the appropriate GSA regional Sales Office has the necessary accounting data and information to conduct the sale of surplus property;
- b. Transporting property offered for sale to a consolidated sales site under mutual agreement with GSA;
- c. Making sale property available for inspection by prospective bidders;
- d. Providing adequate facilities and necessary administrative, clerical or labor assistance when needed and requested by GSA; and
- e. Assisting in the physical movement of property to be sold at lot sales.

5.606 Purchase of Surplus Property by Department Employees.

An employee of the Department shall not purchase any item of Department property that is being sold as Government surplus property if the employee:

- a. Was responsible for maintaining the accountability or custodial record of the item at the time it was determined to be Department excess; or
- b. Was responsible for determining the condition of the item for utilization or disposal purposes; or
- c. Directly participated in or conducted the sale of the item.

5.607 Reporting Requirements (FPMR 101-45.303).

When reporting surplus property to GSA, a SF-120, Report of Excess Personal Property, or SF-126, Report of Personal Property for Sale, shall be prepared by the Operating Unit. The SF-126 shall be submitted to the regional Sales Office in which the property is located in the manner outlined below:

- a. Reportable Property. Property reported to GSA for utilization screening that was not transferred or donated will be automatically programmed for sale by GSA; and
- b. Nonreportable Property. Property that does not meet the criteria for utilization screening and has been screened for donation shall be reported to GSA on SF-126, "Report of Personal Property for Sale."

5.608 Delivery of Property Sold.

The GSA regional office will notify the holding Operating Unit by forwarding a copy of GSA Form 27A, "Purchaser's Receipt and Authority to Release Property," after full payment is received from the buyer. The Operating Unit shall notify GSA if the buyer does not remove the property within a specified period of time.

The sale of motor vehicles requires a SF-97, "United States Government Certificate of Release of a Motor Vehicle," to be executed by the PMO of the Operating Unit and submitted to the buyer in place of a title transfer or certificate.

5.609 Limited Sales by Holding Operating Unit (Small Lot Sale) (FPMR 101-45.304-3).

Operating Units after notifying the appropriate GSA regional Sales Office, have the authority to sell small lots of surplus personal property when the estimated proceeds of the sale do not exceed \$200,000. Proceeds from the sale of surplus personal property shall be deposited into the U.S. Treasury as miscellaneous receipts.

Items may be selected from two source groups. The first group includes items that GSA has advised the Department to sell in small lots; these items have been reported to GSA as excess, but have not been transferred, donated or sold by routine procedures. The second group includes items that are not reportable to GSA due to their condition, perishability or cost.

Optional Form (OF) 15, "Sale of Government Property," is in poster form and may be used in two ways. It may be mailed as a direct sales announcement to a list of prospective bidders that includes names accrued from past sales and names of persons who have asked to be included or prominently displayed in at least three public buildings.

The mailing or posting of the OF-15 should be completed at least 14 days prior to the sale. Inspection of the property by potential bidders should be scheduled a week before the sale for at least two days.

OF-16, "Sales Slip, Sale of Government Personal Property," should be used by the Operating Unit conducting the sale as an invoice, a cash receipt or a property release document following a successful award.

The results of small lot sales must be forwarded to the GSA regional Sales Office for review within 10 workdays following conclusion of the sale. The report shall include copies of OF's 15 and 16, the bidders abstract for sealed bid sales, and the property listing.

5.610 Sale to State and Local Governments (FPMR 101-45.304-12).

Surplus property may be sold to State and local governments on either a negotiated or competitive bid basis.

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5.611 Abandonment/Destruction Requirement for Personal Property (FPMR 101-45.9).

Personal property may be abandoned or destroyed in accordance with FPMR 101-45.9 and this subpart upon a written determination of a duly authorized official who is not directly accountable for the property and has been approved by a Property Board of Review for abandonment/destruction.

5.612 Findings Justifying Abandonment or Destruction (FPMR 101-45.902).

Findings include:

- a. The property has no commercial value;
- b. The cost of care, handling, and preparation of the property for sale would be greater than the expected sale proceeds;
- c. A law, regulation, or directive requires abandonment or destruction;
- d. Written instructions by an authorized official (health, safety, security) directs abandonment or destruction;
- e. The appropriate office must provide for public notice of the abandonment or destruction for a period not less than 7 days. The notice will be posted in the area in which the property is located. The notice will include:
 - (1) A general description of the property;
 - (2) The date and location of the abandonment or destruction;
 - (3) An offer to donate the property to public bodies; and
 - (4) An offer to sell the property.
- f. Property may be abandoned or destroyed, without public notice if:
 - (1) The value of the property is so little or the cost of its care and handling is so great that its retention for advertising for sale is clearly not economical;
 - (2) Immediate abandonment or destruction is required because of health, safety or security reasons;
 - (3) The property to be abandoned or destroyed is unserviceable expendable property; or
 - (4) A single line item of property to be abandoned or destroyed at any one location at any one time has an original cost of less than \$500.

5.700 RECOVERY OF PRECIOUS METALS

5.701 Precious Metals Recovery Program (FPMR 101-45.1001).

GSA is responsible for the initiation and development of Government-wide precious metals recovery programs and

for the issuance and administration of applicable contracts.

5.800 UTILIZATION AND DISPOSAL OF PERSONAL PROPERTY PURSUANT TO EXCHANGE/SALE AUTHORITY

5.801 Exchange/Sale Authority for Property (FPMR 101-46.201).

The exchange or sale of Government-owned property is allowed when replaced by similar items. The trade-in value of the property exchanged is used as a whole or partial payment for the acquisition cost of the replacement property. FPMR 101-46 requires documentation as follows:

- a. The PMO or Contracting Officer must prepare a written determination to allow the exchange or sale of proceeds. The determination shall accompany the requisition and be retained in the official procurement file. Thus, it is important that the PMO and PAO oversee and ensure the validity of the requirement for the property in all respects;
- b. Items sold or exchanged must be similar and the funds generated in the process must be applied to the replacement of the property acquired or exchanged;
- c. The property sold or exchanged is excess and the property acquired is essential to the conduct of approved programs;
- d. The acquisition of one item is to replace another similar item, except when a lesser or greater number of items are needed to replace the original item, or if items are parts or containers where detailed comparison of old and new items are not maintained;
- e. The transaction will foster economic and efficient accomplishment of the Operating Unit's programs;
- f. Certain property is not eligible for exchange/sale procedures (see FPMR 101-46.202);
- g. Operating Units shall solicit other Federal agencies known to use such property for their utilization prior to initiating exchange/sale actions; and
- h. Exchange/sale of ADPE must be conducted by GSA for Federal agencies in accordance with FPMR subpart 101-46.3.

5.900 UTILIZATION SCREENING

5.901 Utilization Screening before Exchange or Sale of Property (FPMR 101-43.6).

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Operating Units having property other than automatic data processing equipment (ADPE) available for exchange or sale pursuant to this part shall, to the fullest extent practicable or economical, prior to any disposal action:

- a. Screen such property for possible use within DOC using the screening procedure prescribed in Part 5.200 of this PPMM.
- b. Solicit Federal agencies known to use or distribute such property for their possible use.
- c. No attempt should be made to obtain further utilization of property which is eligible for replacement in accordance with standards prescribed by GSA.

5.1000 UTILIZATION OF ABANDONED AND FORFEITED PERSONAL PROPERTY

5.1001 Vesting of Title in the United States (FPMR 101-48.102-1).

Abandoned or other unclaimed property, subject to the provisions of section 203(m) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 484(m)), shall remain in the custody of and be the responsibility of the Operating Unit finding such property.

A DOC office finding abandoned or unclaimed usable property shall hold the property for 30 days, during which time attempts to find the owner and return the property will be made. If no owner is identified within 30 days, the property may be used by the Operating Unit. Accountability and posting of appropriate records shall be accomplished in accordance with PPMM Chapter 4. Property not required by the finding office shall be reported to the Operating Unit as excess within DOC in accordance with PPMM 5.101. Usable surplus property resulting from this action and authorized by GSA for disposal by DOC, may be disposed of by sale in accordance with PPMM 5.609. Any abandoned or unclaimed property that is not usable shall be processed as prescribed in PPMM 5.612.

5.2000 UTILIZATION, DONATIONS, AND DISPOSAL OF FOREIGN GIFTS AND DECORATIONS

5.2001 Standards for Foreign Gifts and Decorations (FPMR 101-49).

Standards of conduct governing the acceptance of gifts from foreign governments are found in 28 CFR, FPMR 45.735-14. In accordance with 22 U.S.C. 2694, appropriated funds may not be used to purchase any

tangible gifts of more than minimal value for any foreign individual unless such gifts have been approved by the Congress.

5.2002 Gifts and Decorations from Foreign Governments.

Foreign gifts will be processed in the following manner:

- a. For foreign gifts valued over \$225 or more, Operating Units should prepare and forward a CD 342, "Records of Gifts and Decorations from Foreign Governments", to General Council for approval to determine if the recipient may retain the gift or the Department will retain custody for further use. If the gift is retained for Departmental use a copy of the CD 342 and the gift should be forwarded to OAO for documentation and accountability. Foreign gifts above minimal value, not desired for use, will be reported as excess property by Operating Units in accordance with PPMM 5.100.
- b. Foreign gifts valued less than \$225 may be retained by the recipient. Upon acceptance, the recipient should prepare and forward a CD 342 to OAO for documentation. If the recipient has no desire to retain the gift a CD 342 along with the gift will be forwarded to OAO for disposition.
- c. If the retail value of the gift is not readily determinable, a written appraisal will be made by a source outside the Department. The cost of such an appraisal will be paid by the Operating Unit employing the recipient.

5.2003 Personal Gifts.

Personal gifts received under the Integrity Act should be referred to the Operating Unit's personnel office.

5.2004 Gifts to the Department.

See DAO 203-9 "Gifts and Bequests to the Department of Commerce."

5.2005 Deposit of Money and Certain Intangible Gifts with the Department of Treasury.

Under the existing GSA regulations, negotiable instruments such as cash, checks, money orders, bonds, shares of stock or other securities received as gifts must be deposited to the U.S. Treasury as miscellaneous receipts.

5.3000 CANNIBALIZATION OF PROPERTY

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5.3001 Conditions Permitting Cannibalization.

Cannibalization of Department-owned property may be accomplished provided all the following conditions exist:

- a. Repair of the broken or worn parts is not possible, or not cost-effective;
- b. Required parts are not available from other units previously cannibalized; and
- c. The benefit realized from cannibalization exceeds the estimated trade-in or sale value of the unit being considered for cannibalization.

5.4000 EXCESS EDUCATION-RESEARCH EQUIPMENT

5.4001 Policy.

To ensure equitable distribution and proper use of the property being transferred under the Stevenson-Wydler Technology Innovation Act (15 U.S.C. 3710, Section 11(i), and Executive Order (EO) 12821, a Federal Coordinating Committee on Education-Related Federal Equipment was established. This Committee, co-chaired by the Administrator of GSA and the Secretary of Education, identified three methods (and recommended two: b and c below), by which Federal agencies can transfer/donate mathematical and scientific equipment to schools and non-profit institutions:

- a. The GSA Donation Program - Property donated through GSA's donation program, in accordance with the Federal Property Act.
- b. Expedited Education-Related Transfer Agency determines which educational institution will receive the property. GSA is notified of selection and GSA effects transfer to the respective State Agency as surplus property for donation to the recipient.

To ensure that equipment is equitably distributed to schools that serve the poorest students and schools that lack access to adequate outside resources, the Department of Commerce has decided to comply with the recommendation of the Committee and utilize the two methods above.

Property targeted for donation under the Stevenson-Wydler Act and EO 12821 will first be screened as excess within the Department in accordance with the PPMM, Chapter 5.

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CHAPTER 6. CONTRACTOR/GRANTEE-RELATED PROPERTY

6.000 GENERAL PROVISIONS

6.001 Policy.

Effective control and accountability must be maintained for all personal property furnished by the Department or acquired with Departmental funds as an integral part of all DOC's contracts and grants, in accordance with 48 CFR Part 45, "Government Property," and 15 CFR Part 24, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"; Department Administrative Order (DAO) 203-26, "Grants Administration"; "Personal Property Management Manual (PPMM)"; "Commerce Acquisition Manual (CAM)"; "Office of Management and Budget (OMB)" Circulars A-102, "Grants and Cooperative Agreements with State and Local Governments," and A-110, "Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations."

6.002 General.

The PPMM provides general guidance and should not be relied on to the exclusion of the more detailed guidance provided in the applicable Office of Management and Budget circulars and Commerce regulations cited above.

6.003 Scope of Chapter.

This Chapter has been divided into two subchapters, Subchapter 1, "Contract Property", and Subchapter 2, "Grant Property." The two subchapters establish policies, responsibilities, and requirements for maintaining control and accountability of Departmental-owned property that is being used, or property that has been purchased under contracts or grants.

6.004 Definitions.

The following definitions are established for terms used in this Chapter:

- a. Accountable Personal Property - All nonexpendable personal property with an acquisition cost as defined in the applicable common rule, OMB Circular, or the FAR and all "sensitive property" as defined in Chapter 4 of this PPMM.
- b. Contracting Officer - a person with the authority to enter into, administer, or terminate contracts and

make related determinations and findings. The extent of their authority to bind the Government may be limited by the appointing authority's delegations.

- c. Contracting Officer's Technical Representative (COTR) - An individual designated by a Contracting Officer to provide technical assistance in the administration of a contract within the limits of the authority delegated by the Contracting Officer.
- d. Cooperative Agreement - The legal instrument used for a relationship between the Federal government and a recipient whenever:
 - (1) The principal purpose of the relationship is to provide financial assistance to the recipient; and
 - (2) Substantial involvement is anticipated between the Federal government and the recipient during performance of the activity.Cooperative agreements are subject to the same OMB, Treasury and other Federal directives as grants. As used in this Chapter, the term "grant" shall include cooperative agreements.
- e. Excess Personal Property - Property under the control of any Federal agency which is not required for its needs or for the discharge of its responsibilities, as determined by the head of the agency.
- f. Grants - The legal instrument reflecting a relationship between the Federal government and a recipient whenever:
 - (1) The principal purpose of the relationship is to provide financial assistance to the recipient; and
 - (2) No substantial involvement is anticipated between the Federal government and the recipient during performance of the contemplated activity.The term "grant" as used in this Chapter refers to both a grant and cooperative agreement, unless specifically stated otherwise.
- g. Grants Officer - A government official who is responsible for all administrative aspects of a grant, including the authority to take final action on grants by signing awards, amendments thereto, and suspension and termination notices.
- h. Non-expendable Personal Property - Tangible personal property, including equipment, having a useful life of more than one year and a per unit acquisition cost of \$1,000 or more for recipients subject to OMB Circular A-110, or \$200,000 for recipients subject to 15 CFR Part 24, including equipment.
- i. Program Officer - A government official responsible for the technical, scientific, or other programmatic aspects of grants.

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- j. Property Administrator - An authorized representative appointed by the Contracting Officer to administer the contract requirements and obligations relating to government-furnished and government-owned property.

SUBCHAPTER 1 CONTRACT PROPERTY

6.100 **CONTRACT PROPERTY**

6.101 **Scope of Subchapter.**

This Subchapter establishes Departmental policies for the control, accountability and general requirements to be followed for management of contract-related property.

6.102 **Responsibilities for Contract Property.**

Contracting Officers' responsibilities as they relate to contract property are:

- a. Ensuring that contracts are awarded and administered in accordance with applicable statutes, rules, regulations, policies, requirements of law, and executive orders;
- b. Ensuring that the procurement requirements have been met for the acquisition of property;
- c. Providing the COTR and Property Administrator with a copy of the contract and all subsequent modifications;
- d. Ensuring that all government-furnished property is included in the contract schedule;
- e. Monitoring disposition of government-owned property by providing the Property Administrator with a list of the contractor's excess or residual government property and providing the disposition instructions to the contractor;
- f. Amending the contract to add or delete government-furnished property;
- g. Coordinating with the Office of the Inspector General and the Property Administrator to ensure that property-related issues raised in audit reports are resolved properly and in accordance with established procedures;
- h. Making final decisions when there are discrepancies between the Property Administrator and contractor; and
- i. Maintaining the official contract files through close-out.

Contracting Officer's Technical Representatives are responsible for:

- a. Providing such guidance and assistance to the Contracting Officer and the procurement staff as needed during contract performance;

- b. Working with the Contracting Officer to evaluate the effect on the contract price of furnishing property to the contractor;
- c. Providing assistance in ensuring that all government-furnished property is listed in the contract;
- d. Ensuring that the government-furnished property is sent to the contractor in the proper condition when needed;
- e. Reviewing the contractor's property inventory for accuracy;
- f. Working with the Property Administrator to provide disposition instructions to the Contracting Officer;
- g. Clarifying for the Contracting Officer the technical requirements set forth in the solicitation and contract specification;
- h. Monitoring, on a continuing basis, the contractor's performance under the contract and verifying to the Contracting Officer that the contractor is performing in strict compliance with the contract's work statement and technical requirements;
- i. Certifying in writing to the Contracting Officer, to support payment for each invoice, that services have been rendered in accordance with the contract's terms and conditions; and
- j. Submitting to the Contracting Officer, as requested, periodic written progress reports throughout the contract's duration.

Property Administrators are responsible for:

- a. Advising the Contracting Officer of any inventory discrepancy;
- b. Informing contractor management of property administration matters at the discretion of the Contracting Officer;
- c. Assisting the contractor with periodic physical inventories; and
- d. Providing the Contracting Officer with instructions for disposition of the contractor's excess property.

Contractors are responsible for:

- a. Accounting for all government property in their possession;
- b. Establishing and maintaining a property control system to control, protect, preserve and maintain all government property;
- c. Maintaining and making available the records of all government property until relieved of such responsibilities by the Contracting Officer;
- d. Conducting periodic physical inventories; and
- e. Reporting excess, lost or damaged government property to the Property Administrator and Contracting Officer.

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6.200 FURNISHING PROPERTY

6.201 Providing Government-Furnished Property.

In accordance with FAR Part 45, it is the basic policy of the government that all property required for the performance of its contracts be furnished by the contractor. However, when it becomes necessary or desirable for the government to provide property, or when the contractor will be authorized to acquire it at the Government's expense, procedures must be implemented to ensure adequate contract provisions are established to protect, account for and maintain such property.

Property required for performance of the contract shall be clearly identified in the contract. A determination shall be made by the Contracting Officer to either provide the property to the contractor as "Government-Furnished Property," or to authorize the contractor to acquire property for the performance of the contract. The following reasons for providing government-furnished property shall be considered:

- a. No practicable or economic alternative exists;
- b. The Department receives adequate consideration for providing the property;
- c. Furnishing Government property is likely to result in substantially lower costs to the Government; or
- d. Other reasons, such as scarcity of materials, standardization requirements, or existence of other programs which require that property be provided by the Government.

When contractors are furnished with government-owned property, the Government retains title to the property and the property shall be maintained and controlled as any other accountable property held by the Department.

6.202 Contractor Acquired Government-Owned Property.

Once property requirements have been contractually authorized, action must be taken to acquire the property. Methods of acquisition include the following:

- a. Through government-furnished property, government excess and government supply sources;
- b. Contractor-acquired property which is purchased by the contractor for the performance of the contract; or
- c. Leasing.

6.203 Receipt of Government Property.

When Government property is initially placed in the control or custody of the contractor, the contractor becomes accountable and responsible for that property. The Property Administrator must ensure that the

contractor's procedures provide for proper documentation of receipt, actions taken to resolve inventory discrepancies, inspection, identification, calibration, movement to storage or using areas, and control of misdirected shipments.

6.300 PROPERTY ACCOUNTABILITY AND MANAGEMENT

6.301 Property Accountability.

The Contracting Officer, when providing Government furnished property to a contractor, shall ensure that the property is properly identified in the contract and that a copy of the contract is furnished to the Property Administrator. The Property Administrator and contractor are responsible for accomplishing of the physical inventories of the property and reconciling any discrepancies revealed by such inventory.

6.302 Maintaining Inventory.

The Contractor shall maintain current inventories on each contract administered. The Contracting Officer shall modify contracts as needed to identify all property furnished by the Government. The Contracting Officer shall provide for the disposition of all property with assistance from the Property Administrator.

The Property Administrator shall monitor and review the results of the physical inventories conducted by the contractor for contractor-held property. A copy of each inventory shall be furnished to the appropriate Contracting Officer.

The contractor shall modify and maintain current records of all government property and provide the Property Administrator with inventories for each contract administered. This includes subcontractor's inventories. The contractor shall identify excess property with assistance from the Property Administrator.

6.303 Property Management.

Operating Units' Property Management Officers will provide assistance, if needed, in establishing a control system to ensure adequate safeguards to prevent loss, damage, or theft of government-owned property assigned to contractors. Any loss, damage, or theft of property shall be investigated and fully documented by the contractor who shall promptly notify the Property Administrator. The Operating Unit shall implement, control, and monitor all additions and deletions to current contract inventories.

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6.304 Liability For Loss, Damage, or Destruction of Government Property.

The contractor is liable for all loss, damage, or destruction of Government property with the exceptions of reasonable wear and tear to Government property.

6.305 Unauthorized Use of Government Property.

It is the Property Administrator's responsibility to advise the Contracting Officer of any known unauthorized use of Government property. In the event the contractor uses any Government property without authorization, the contractor may be liable for rental, without credit, for such items for each month or part of a month in which such unauthorized use occurs. The only exception is that the concerned agency head may, in writing, waive the contractor's liability for such unauthorized use if the agency head determines that without such a waiver a gross inequity would result.

6.306 Disposal of Government Property Held by Contractors.

Disposal of Government property held by the Contractor can occur:

- a. At the time of the completion of the work under the contract;
- b. Upon termination of the contract for default or convenience of the Department; or
- c. At any time during the course of the contract when it is no longer serviceable or needed for the purpose for which it was intended, or for other use under the contract.

When property is reported excess by a contractor, it is necessary that the interest of the Government be protected by assuring that property is physically allocable to the contract and no longer used for other work by the contractor.

6.307 Transfer of Material Through Contract Modification.

Contractor acquired property may be transferred to a contractor when authorized in the schedule or specifications within the contract. Transfers should be accomplished according to instructions in the contract or, in the absence of complete instructions in the contract, documentation pertaining to the transfer should be forwarded to the Contracting Officer for equitable adjustment of the gaining contract and any other required action. Transfers should not be accomplished unless authorized in the receiving contract and no longer required on the closing contract.

Serviceable or usable property included in the contract's inventory schedules that is no longer needed by the contractor or returned to suppliers must be disposed of in accordance with Chapter 5, of this PPMM. Operating Units property management activities are responsible for disseminating information concerning the availability of contractor inventory. Transfer costs (which may include packing, preparation for shipment, loading and transportation) should be borne by the transferee.

6.400 REPORTING REQUIREMENTS

6.401 Reporting.

The Department Property Management Officer (DPMO) is responsible for annually reporting to the General Services Administration (GSA) the acquisition value of the property purchased with DOC funds for contracts or property furnished to contractors. All property acquired with DOC funds or furnished by DOC shall be reported in a memorandum to GSA, no later than 90 calendar days after the close of each fiscal year, in accordance with Federal Property Management Regulation (FPMR) 101-43.4701(c).

Operating Units are required to report annually the value of the property being held by or transferred out of the Department. The Operating Unit's report shall include the acquisition costs, categories of equipment, and the recipients of all property in a memorandum format to the DPMO by the Contracting Officer, no later than 30 calendar days after the close of each fiscal year.

SUBCHAPTER 2-GRANT PROPERTY

6.500 GRANT PROPERTY

6.501 Scope of Subchapter.

This Subchapter establishes Departmental policies for the control, accountability, and general management of grant-related property.

6.502 Responsibilities.

Grants Officers' responsibilities as they relate to grant property are:

- a. Ensuring that the procurement requirements have been met for the acquisition of property;
- b. Designating the Property Administrators;
- c. Monitoring disposition of government-owned property by ensuring that the appropriate Property Administrator is notified of the existence, nature,

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value and location of grants property available for disposition;

- d. Maintaining the official grant files until close-out; and
- e. Coordinating with the Office of the Inspector General and Program Officer to ensure audit issues relating to property management are resolved in accordance with established procedures.

Program Officers' responsibilities as they relate to grant property are:

- a. Reviewing and preparing written evaluations of quarterly and final performance, property, and patent reports submitted by grantee;
- b. Providing programmatic guidance and technical assistance to grantees, Grants Officers, Property Administrators and other officials, as necessary;
- c. Evaluating grantee's property control system;
- e. Resolving property administration matters with grantee at the discretion of the Grants Officer;
- f. Monitoring the use of property purchased or furnished by the Federal government under the grant, and ensuring that the relevant provisions of the applicable common rule or OMB circular are met;
- g. Forwarding recommendations to the appropriate Property Administrator for disposal of grant related property no longer needed; and
- h. Evaluating the final performance and property reports.

Property Administrators are responsible for:

- a. Ensuring that grantees comply with property-related provisions of the grant, FAR and OMB Circulars;
- b. Establishing and maintaining accountability records;
- c. Providing guidance to grantees in establishing and maintaining a property accountability system;
- d. Monitoring grantee's purchase and use of property purchased with grant funds or furnished by the government under the grant;
- e. Assisting the grantee with periodic physical inventories;
- f. Advising the Program Officer of all requests by grantees involving personal property;
- g. Providing inventory information to the appropriate property accountability official in the DOC Personal Property Network for all property furnished to grantees where the title is retained by the government; and
- h. Providing the grantee with instructions for disposition of property and forwarding a copy to the Grants Officer.

Grantees are responsible for:

- a. Managing property in accordance with all provisions of Department's rules and procedures, Federal regulations, and OMB circulars, as applicable;

- b. Accounting for all government-owned property in their possession;
- c. Maintaining and making available an inventory listing of all property acquired under a grant. A final inventory listing shall be submitted to the Program Officer with the final financial reports;
- d. Conducting and submitting to the Program Officer periodic physical inventories (once every two years for purchased property and annually for government-owned property);
- e. Exercising adequate control and maintaining property to prevent loss, damage and theft; and
- f. Requesting instructions and obtaining approval for disposition of property unless instructions have been identified in the award.

6.600 DEPARTMENTAL GRANT PROPERTY

6.601 **Property Management Standards for Grants to State or Local Governments, Universities, Non-Profit Organizations and For-Profit Organizations.**

Under a grant to any state or local government, property should be managed in accordance with the standards and procedures in the DAO 203-26 and 15 CFR Part 24.

Under a grant to institutions of higher education, hospitals, and other non-profit, and for-profit organizations, property should be managed in accordance with the standards and procedures prescribed in the DAO 203-26 and OMB Circular A-110.

The Department must require compliance with the standards established in 15 CFR Part 24 and OMB Circular A-110, as applicable. The grantees may be authorized to use their own property management standards and procedures as long as the provisions of the Department's regulations are included.

6.602 **Title of Grant Property.**

When grantees are provided with government-owned property, the title remains vested with the Department and the property shall be maintained and controlled as with any other accountable property held by the Department.

The Federal Grant and Cooperative Agreement Act of 1977, Section 7(31 U.S.C. 6306) (Public Law 95-224), provides cautionary authority for vesting title to property in the contractor or grantee for agencies which make contracts, grants, and cooperative agreements for the conduct of basic or applied scientific research with non-profit institutions of higher education, or with non-profit

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organizations whose primary purpose is the conduct of scientific research.

Detailed guidance on the interest and rights of DOC in personal property purchased under grants is provided in the applicable common rule and OMB circular. Government-furnished property or Government excess property, transferred to the grantee, is not eligible for title to be vested under this authority.

6.700 PROPERTY ACCOUNTABILITY AND MANAGEMENT

6.701 Record Accountability.

Property records are the means by which the location and status of property are recorded from acquisition through utilization and disposal. Grantees shall have an effective property control system which will provide a constant trail of records. Property records must identify all government-owned property and provide complete, current, auditable records of all transactions. The records shall be safeguarded from tampering or destruction. Records shall be accessible to authorized personnel.

Operating Units shall rely on the grantee's property control records and designate such records as the official grant records. There are exceptions to this policy when special circumstance exist and when specifically authorized. Some Operating Units may maintain the official grant property record. However, in general, the majority of official grant records for property are maintained by the grantee.

Records shall be maintained which differentiate between expendable and non-expendable personal property in a given area. Property must be categorized as either supplies/materials or equipment. Inventory records must be maintained which reflect the type, location, and dollar value of all accountable property. In addition, records must be maintained which accurately indicate the type and location of sensitive or controlled items.

Financial records, supporting documents, statistical records, and all other records pertinent to the grant agreement shall be retained for a period of three years from submission of the final financial report (SF-269, Financial Status Report). If litigation, a claim, or an audit involving the records has started before the expiration of the three year period, the records must be retained until completion of the action and resolution of all issues or until the end of the regular three year period, whichever is later.

When property records are transferred to or maintained by the Department, records shall be retained for three years after final disposition. There is no retention requirement by the grantee if records are transferred to or maintained by the Department. See 15 CFR 24.42(c) or OMB circular A-110 (Attachment C) for starting date of retention period.

6.702 Disposition of Grants Property.

Disposition is the last phase of the grant property control cycle. This phase involves the identification, classification and condition coding of items and equipment for possible reuse under other grants upon return to Government stock, or disposition in accordance with the Department's standard procedures.

Upon completion of the grant, or prior thereto if required by the Program Officer, the grantee must inventory all Government property to determine whether or not retention can be justified based upon the grantee's utilization.

If grantee property is no longer needed or wanted, the grantee will submit a request for disposition instructions to the Program Officer who will forward the request with recommendations to the appropriate Property Administrator and a copy to the Grants Officer. The Property Administrator shall provide the grantee with disposition instructions and forward a copy to the Program Officer and Grants Officer.

The Department shall issue disposition instructions within 120 days. If the Department fails to issue disposition instructions within the 120 days, the grantee may sell the property using proper sales procedures to ensure the highest possible return and retain the proceeds subject to the following standards:

- a. Grantee subject to OMB Circular A-110: Nonexpendable personal property with a per unit acquisition cost of less than \$1,000 may be disposed of by the grantee with no obligation to reimburse the Department. Nonexpendable personal property with a per unit acquisition cost of \$1,000 or more may be retained by the recipient on the condition that the Department is reimbursed in an amount calculated by applying the percentage of the Federal participation in the cost of the original project to the current market value.
- b. Grantee subject to 15 CFR Part 24: Nonexpendable personal property with a per unit fair market value in excess of more than \$200,000 may be disposed of or retained by the grantee. If retained, the Department shall be reimbursed in an amount calculated by applying the percentage of the Federal participation in

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the costs of the original project to the current fair market value of the property. If sold, the proceeds from the sale shall be used as the base.

Alternatively, the property may be transferred to the original sponsoring Operating Unit and the Operating Unit shall determine if the property can be used to meet the Department's needs. If there is no further requirement within the Department, the property shall be reported to GSA in accordance with Chapter 5 (5.101) of this PPMM and FPMR (101-43.304) on reporting excess personal property.

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CHAPTER 7. AVIATION AND MOTOR VEHICLE MANAGEMENT

7.000 GENERAL PROVISIONS

7.001 Scope of Chapter.

This Chapter establishes DOC policy, authorities and responsibilities for developing and implementing an aviation and motor vehicle management program for the Department of Commerce. It implements the Government-wide policy and guidelines contained in 41 Code of Federal Regulations, Parts 101-6.4, 101-37 through 101-39, and Executive Orders 11912, 12375 and 12759 as they apply to the acquisition, operation, utilization and disposal in the above areas.

7.002 Authority.

The Assistant Secretary for Administration, under Departmental Organization Order 10-5, has delegated authority to the Director of the Office of Administrative Services (OAS) for developing, implementing and overseeing Departmental policies and standards for management of aviation and motor vehicles. The Director, OAS has redeligated this authority to the Director, Office of Administrative Operations.

7.003 Definitions.

The following definitions are established for terms used in this chapter:

- a. Alternative Fuels - Methanol; ethanol; mixtures containing 85% or more by volume of methanol or ethanol with gasoline or other fuels; compressed natural gas; liquefied natural gas; liquefied petroleum gas; and electricity.
- b. DOC Fleet Manager - The individual appointed by the Director, Office of Administrative Operations who has the knowledge, authority and accountability required to effectively control the acquisition, use and disposal of motor vehicles.
- c. Interagency Fleet Management System (IFMS) - A consolidated GSA-managed Federal fleet program that provides vehicles and related fleet management services to Federal agencies through a network of fleet management centers located throughout the United States and Puerto Rico.
- d. Light Duty Truck - Includes trucks of up to 8,500 lbs gross vehicle weight rating which may be four-wheel drive, utilize gasoline or diesel fuel and are manufactured for use on public streets, roads and highways.

- e. Operating Unit Fleet Manager - The individual appointed by the Heads of a Departmental Operating Unit who has physical responsibility for the proper use, maintenance and protection of motor vehicles assigned to him/her.

7.004 Roles and Responsibilities.

Director, Office of Administrative Operations, is responsible for:

- a. Developing and issuing the policy for the Department on motor vehicle management;
- b. Appointing a DOC Fleet Manager for the Department who shall have Departmental fleet management responsibility;
- c. Coordinating DOC and GSA review and approval of Operating Unit requests to commercially lease motor vehicles;
- d. Coordinating the submission of Department-wide reports to GSA, OMB, DOE and other agencies on motor vehicles;
- e. Providing technical advice and assistance on Departmental matters pertaining to home-to-work motor vehicle usage;
- f. Coordinating review of Operating Unit requests for exemptions from displaying U.S. Government tags on motor vehicles; and
- g. Serving as DOC liaison with GSA and other Federal agencies on program matters and issues relating to the management of motor vehicles.

The Heads of Departmental Operating Units are responsible for:

- a. Developing and administering a motor vehicle management program for motor vehicles assigned to their organization;
- b. Appointing an Operating Unit Fleet Manager who shall be responsible for managing the Operating Unit's motor vehicles;
- c. Conducting annual reviews and evaluations on motor vehicle operations effectiveness;
- d. Limiting the number of vehicles required for headquarters and field units to the minimum and assuring that required vehicles conform to standards for maximum fuel efficiency, minimum body size, engine size and special equipment required for program operation;
- e. Pooling vehicles where geographically practical to ensure cost efficient utilization;
- f. Ensuring that operators within the organization are properly licensed and their driving records reviewed

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- annually. Also assuring that operators are familiar with and follow all applicable policies and procedures;
- g. Investigating alleged misuse of motor vehicles and, as required, taking disciplinary and other remedial action;
 - h. Developing a plan for the acquisition of alternative fueled vehicles as replacement vehicles for owned and leased vehicles;
 - i. Establishing and maintaining an accurate inventory and records on the utilization, cost, and energy consumption data on all Operating Unit's Government motor vehicles;
 - j. Developing and submitting periodic studies and reports on vehicles within their organization to the DOC Fleet Manager;
 - k. Ensuring compliance with the regulations of Public Law 99-550 on home-to-work transportation, as set forth in section 7.900 of this Manual;
 - l. Ensure that grantees, contractors and subcontractors, and their employees who are authorized to use Government motor vehicles, use such vehicles solely in the performance of the work authorized under such Government grants, contracts, and subcontracts, and that:
 - (1) Grantees, contractors, and subcontractors establish and enforce penalties prescribed for Government employees for their employees who willfully use or authorize the use of Government motor vehicles for other than official purposes;
 - (2) Appropriate provision is made for the assumption by the grantee, contractor, or subcontractor of any cost or expense incident to any use not related to the performance of the grant or contract, such assumption of cost or expense to be without the right of reimbursement from the Government; and
 - (3) Comply with subpart 51.2 of the Federal Acquisition Regulation which contains policies and procedures governing Federal agencies in authorizing their prime contractors and subcontractors to obtain interagency motor pool vehicles and related services for use in performing cost-reimbursement type contracts and cost-reimbursement type subcontracts; and
 - m. Developing plans to achieve the mandated fleet average fuel economy for their government-owned leased vehicles.

Operating Unit Fleet Managers are responsible for:

- a. Determining current and projected motor vehicle needs for the Operating Unit;
- b. Approving the acquisition of motor vehicles from GSA's IFMS;
- c. Returning unneeded GSA vehicles to GSA's IFMS;

- d. Disposing of unneeded Commerce-owned vehicles;
- e. Establishing and maintaining fleet management records on all assigned Government motor vehicles;
- f. Establishing and maintaining an effective preventive maintenance program;
- g. Assuring that operators have a valid operator's license and checking on a quarterly basis to ensure that all full-time motor vehicle operators have a valid state operator's license;
- h. Assisting in the conduct of periodic reviews and evaluations of motor vehicle management performance and effectiveness;
- i. Establishing and maintaining adequate controls that will assure contractors and grantees do not acquire or use Government motor vehicles without specific, written approval (specifications must be written in contract); and
- j. Controlling the issuance of U.S. Government license plates, and credit cards for motor vehicles.

Motor Vehicle Operators and Employees are responsible for:

- a. Operating vehicles in a safe and prudent manner, and only for official purposes;
- b. Reporting vehicle use and credit card data to the Operating Unit Fleet Manager;
- c. Reporting vehicles that are in unsafe operating condition to the Operating Unit Fleet Manager;
- d. Complying with all applicable municipal, state, and Federal motor vehicle laws and regulations;
- e. Assuring that vehicles and their contents are properly secured when they are left unattended; and
- f. Promptly reporting all accidents to the Operating Unit Fleet Manager and to his/her immediate supervisor.

7.100 AIRCRAFT

7.101 Policy.

All Government aircraft shall be used for official purposes only and in compliance with the operation, utilization, and disposal requirements of FPMR and OMB Circulars A-76 and A-126.

7.200 ACQUISITION OF MOTOR VEHICLES

7.201 Policies.

Motor vehicles acquired shall be limited to the minimum number required for essential purposes and utilized to the maximum extent possible. Actions as pooling and sharing shall be considered, thereby reducing the need to acquire additional vehicles.

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All motor vehicles shall have maximum fuel economy in compliance with Executive Order 12375.

DOC shall acquire the maximum number of alternative fuel vehicles practicable to reduce its overall consumption of gasoline and diesel fuel and help develop Alternative Fuel Vehicles acquisition goals for the Federal fleet set forth in Executive Order 12844.

DOC shall rely on GSA, IFMS as the primary source of vehicles before purchasing, leasing or renting of motor vehicles from commercial sources.

7.202 Authority Required for Purchase of Passenger Motor Vehicles.

31 U.S.C. 1343 provides that an appropriation may be expended to buy or lease passenger motor vehicles under the following circumstances:

- a. For the use of:
 - (1) The President
 - (2) The Secretaries to the President
 - (3) The heads of executive departments listed in section 101 of title 5 [5USC 101]; or
as specifically provided by law.
- b. Except as specifically provided by law, an agency may use appropriate to buy a passenger motor vehicle (except a bus or ambulance) only at a total cost (except costs required only for transportation) that:
 - (1) Includes the price of systems and equipment the Administrator of GSA decides is incorporated customarily in standard passenger motor vehicles completely equipped for ordinary operation;
 - (2) Includes the value of a vehicle used in exchange;
 - (3) Is not more than the maximum price established by the agency having authority under law to establish a maximum price; and
 - (4) Is not more than the amount specified in a law.
- c. Additional systems and equipment may be bought for a passenger motor vehicle if the Administrator of GSA decides the purchase is appropriate. The price of additional systems or equipment is not included in deciding whether the cost of the vehicle is within a maximum price specified by law.

7.203 Determination of Requirements.

In determining the requirements for motor vehicles, consideration shall be given to the following:

- a. The essential need and cost for all non-standard systems and equipment and the potential benefits to be derived from their use;
- b. The number of each type of vehicle needed to accomplish the program objective;

- c. The fuel economy rating for all planned vehicle acquisitions and their effect on the Operation Unit's meeting the fleet average fuel economy rating established by the Secretary, DOT;
- d. The extent of intended use i.e., the cargo or number of passengers to be transported, the frequency and types of trips, etc. Dual purpose vehicles capable of hauling both personnel and light cargo shall be used whenever appropriate to avoid the need for two vehicles;
- e. The reassignment of existing vehicles to meet the requirements;
- f. The feasibility of obtaining the required motor vehicle support from the IFMS or other Federal agency;
- g. The feasibility of lease or rental from commercial sources, especially in those instances where the requirement is for a period of 3 months or less; and
- h. The feasibility and economy of using a privately-owned vehicle or local public transportation in lieu of acquiring additional vehicles.

7.204 Acquisition Requests.

All requests for the acquisition of new motor vehicle must be reviewed by an appropriate Operating Unit official (Operating Unit Fleet Manager) to ensure compliance with policy set forth in this Chapter, Section 7.201.

The appropriate official within the Operating Unit will approve or disapprove each acquisition request and take the necessary action.

7.205 Procurement.

Policies and procedures for the purchase of new motor vehicles, including provisions for the procurement of additional systems and equipment for sedans and station wagons, are set forth in FPMR subpart 101-38.1.

Selection guidelines for justification of air-conditioning and other additional systems and equipment with respect to procurement of new sedans and station wagons and procurement for installation in such vehicles already in service, are contained in FPMR.

Special procedures relating to the delivery, inspection, and acceptance of motor vehicles are provided in FPMR 101-38.104-7. These special procedures are designed primarily to identify and report on deliveries of unsatisfactory motor vehicles ordered by GSA.

FPMR 101-38.102 authorizes agencies to purchase and lease vehicles in certain circumstances. Operating Units receiving waivers from GSA under FPMR 101-26.501-1

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(b) and (c) may acquire vehicles directly rather than going through GSA's Automotive Commodity Center.

7.206 Acquisition of Fuel-Efficient Motor Vehicles.

This section established Departmental policies and requirements for acquiring fuel-efficient motor vehicles:

- a. All motor vehicles acquired for official purposes by DOC Operating Units shall be selected to achieve maximum fuel efficiency and limited to the minimum body size, engine size, and optional equipment necessary to meet requesting office's requirements.
- b. Use of Government limousines (class V) and large sedans (class IV) shall be eliminated. Exceptions shall be made only for essential needs and must be approved by the Director, OAS, and GSA.
- c. All class IV and V sedans shall be replaced by class II or smaller sedans unless a class III is absolutely essential to the agency's mission and certified accordingly by GSA.
- d. The acquisition of passenger vehicles shall be limited to class IA, IB, or II (small, subcompact, or compact), unless the requesting office is able to certify that a class of larger vehicles is essential to the agency's mission.
- e. The acquisition of passenger vehicles for use in transporting DOC executives (employees at the Assistant Secretary level or higher or at Executive Level IV and above or their equivalent), shall be held to the minimum number necessary for the orderly transaction of official agency business. All such requests regardless of the type of vehicle and source shall be sent to the DOC Fleet Management for review and forwarded to the Director, OAS, for approval.

7.207 Federal Vehicle Fuel Efficiency.

GSA is responsible for developing a consolidated Federal fleet program to monitor the acquisition of passenger automobiles and light trucks by executive agencies. GSA administers this program by maintaining a master record of the miles per gallon ratings for all passenger vehicles and light trucks acquired by executive agencies during the year. Through this program, GSA is able to verify whether the agencies are achieving the fleet average fuel economy rating each fiscal year, as mandated by Executive Order 12375. This is done by GSA in accordance with the methodology and formula discussed in FPMR 101-38.101-3.

Executive agencies must meet the following average fuel economy objectives:

- (a) Sedans and Station wagons, 27.5 miles per gallon
- (b) 4x2 light trucks, 20.2 miles per gallon
- (c) 4x4 light trucks, 20.2 miles per gallon

Operating Units may request exemption from meeting the mandated fleet average fuel economy for light trucks or categories of light trucks when determined to be appropriate in terms of energy conservation, economy, efficiency, or service. They shall submit these requests to the DOC Fleet Manager and state the reasons supporting the request for exemption. The DOC Fleet Manager will forward the request to GSA and advise the requesting office of GSA's decision on the request.

Operating Units shall develop and implement plans to achieve the mandated fleet average fuel economy for all of its Government-owned and leased passenger motor vehicles and light trucks. DOC Operating Units shall submit a year-end report to the DOC fleet manager on their progress and plans for meeting the fleet average fuel economy.

Operating Units are responsible for submitting reports on their motor vehicle fuel consumption and costs as a part of their Quarterly Energy Consumption Report (Form CD-340-LF) to the Department's Energy Management Officer in the Office of Federal Property Programs.

7.208 Alternative Fuel Vehicles.

Section 11 of Executive Order 12759 on Federal Energy Management directed the Secretary of Energy to work with Federal agencies to acquire the maximum number practical of alternative fueled vehicles (AFVs) produced by original equipment manufacturers by the end of FY 95. Section 303 of the Energy Policy Act of 1992 (42 USC 13212) specified the following target goals for AFV acquisitions for the Federal Fleet:

FY 95	10,000 AFVs
FY 96	25% of all vehicle acquisitions
FY 97	33% of all vehicle acquisitions
FY 98	50% of all vehicle acquisitions
FY 99 and after	75% of all vehicle acquisitions

7.300 INTERAGENCY FLEET MANAGEMENT SYSTEMS

7.301 Participation in IFMSs.

See FPMR subpart 101-39.1 for information on GSA-conducted studies covering the operation and cost of

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motor vehicles and motor vehicle services which support establishment of IFMS. The DOC Fleet Manager will coordinate the designation of Commerce officials to furnish necessary information and assistance to GSA, when required by GSA as provided in FPMR 101-39.101.

Problems involving GSA, IFMS motor vehicle service and cost should be reported to the GSA fleet management system's servicing center providing the vehicles. In the event a satisfactory solution does not result, full particulars shall be forwarded to the DOC Fleet Manager for coordination and possible referral to GSA.

Should circumstances arise at a given interagency fleet management location that would tend to justify withdrawal of participation, the concerned Commerce organization shall develop factual justification. Justifications should be forwarded through the Head of the Operating Unit to the Director, OAS, for coordination and possible referral to the Administrator of GSA, as provided in FPMR 101-39.105-2.

7.400 INTERAGENCY FLEET MANAGEMENT SYSTEM SERVICES

7.401 Policy.

Operating Units shall utilize GSA's IFMS as the primary source for motor vehicles services.

7.402 Vehicles Available Through Interagency Fleet Management System and GSA Commercial Rental Contracts.

Interagency Fleet Management locations, services, and rental rates are published periodically by GSA for the current information and guidance of Federal agencies. Availability of this publication and details concerning distribution are announced in GSA bulletins.

7.403 Obtaining Motor Vehicles for Short-Term Use.

Motor vehicles may be obtained for short-term local use through GSA's IFMS. Agency officials or employees requesting short-term usage of motor vehicles must be authorized to place orders for vehicle support, and must provide a complete billing address with a GSA-billed, office-address code (BOAC) at the time an order is placed. Further information is set forth in FPMR 101-39.203.

7.404 Obtaining Vehicles for Indefinite Assignment.

The first source for obtaining vehicles for indefinite assignment should be the GSA, IFMS through the DOC Fleet Manager. Agencies that fully participate with GSA's indefinite assignment program will be given priority over other than fully participating agencies. Fully participating agencies rely totally on the support of GSA's IFMS services for obtaining vehicles. See FPMR 101-39.204 for the requirements for obtaining indefinite assignment vehicles.

7.405 Seasonal or Unusual Requirements.

Operating Unit Fleet Managers having seasonal or unusual requirements for motor vehicles shall inform the appropriate GSA IFMS as far in advance as possible, but not less than 3 months in advance of need.

7.406 Exemption from the Use of the Interagency Fleet Management System.

See FPMR 101-39.106 for information on unlimited exemptions and FPMR 101-39.107 for information on requests for limited exemptions. Requests for exemptions shall be fully justified and submitted to the DOC Fleet Manager for coordination and possible referral to the Administrator of GSA.

7.407 Reimbursement for Services.

See FPMR 101-39.207 for procedures for reimbursing GSA for fleet management services.

7.408 Vehicles Removed From Defined Areas.

When motor vehicles are removed from the service boundaries of the local GSA Fleet Management area for a period exceeding 90 calendar days, the issuing IFMS shall be notified in accordance with FPMR 101-39.208 through the appropriate Operating Unit Fleet Manager.

7.500 USE AND CARE OF INTERAGENCY FLEET SYSTEM VEHICLES

7.501 General.

Any official or employee issued a motor vehicle from a GSA IFMS shall be responsible for exercising reasonable diligence in the care of the vehicles at all times. Failure to take proper care of a vehicle may be considered as justification for refusal of further vehicle issuance to such official or employee after reasonable notice to the Operating Unit Fleet Manager.

7.502 Utilization Guidelines.

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The utilization guidelines contained in FPMR 101-39.301 shall be used by Operating Units to determine when a full-time vehicle is required. These guidelines should also be used by Operating Units Fleet Manager to review the utilization of their GSA assigned motor vehicles and determine whether the need for each vehicle still exists. Vehicle utilization data on GSA assigned IFMS vehicles is contained in a Vehicle Inventory Report (Report FMS-202A) that is prepared quarterly by GSA and forwarded to the DOC Fleet Managers. Copies of this report are forwarded to Operating Units Fleet Managers by the DOC Fleet Manager.

See FPMR 101-39.302 - 307 regarding the following:

- a. Rotation
- b. Maintenance
- c. Modification or installation of accessory equipment
- d. Storage
- e. Operator's Packet
- f. Withdrawal of use by GSA.

7.600 LEASING AND PURCHASING NEW MOTOR VEHICLES

7.601 Commercial Leasing of Motor Vehicles (FPMR 101-38.103).

Operating Units needing to commercially lease a motor vehicle or renew the lease for an existing vehicle shall submit their request to the DOC Fleet Manager for Departmental review and approval. The requests shall contain the specified information noted in FPMR 101-38.102(e) (1) through (12). In addition, the requests should include:

- a. A statement that the local GSA IFMS Center has been contacted and cannot provide a vehicle;
- b. Justification as to why a Class III or IV vehicle is needed and your requirements cannot be satisfied with a smaller size sedan;
- c. A statement supporting your need to lease a Class IV station wagon, when one is requested; and
- d. Whether the vehicle will be used to transport DOC employees.

The DOC Fleet Manager will review the request and forward it through channels for Departmental approval. Where necessary, the DOC Fleet Manager will also forward the request to GSA's Fleet Management Division for its review and approval.

7.602 Guidelines in Leasing Motor Vehicles (FPMR 101-38.103).

Operating Units shall adhere to the following GSA guidelines in commercially leasing passenger motor vehicles and light trucks:

- a. Before executing a commercial lease, the requesting Operating Unit shall ensure that this request for vehicles has not been denied by the Congress or the Office of Management and Budget.
- b. The authority to commercially lease a vehicle does not grant exemption from normal competitive procurement procedures. Also, Director, OAS, must approve the lease.
- c. Use of GSA's Indefinite Quantity Lease under FSS schedule 751, Part II, is mandatory for civilian executive agencies when it includes the requested vehicle type and the lease period is for a minimum of 1 year.
- d. Operating Units must follow the provisions of FPMR 101-38.102 which require vehicles up to 8,500 pounds gross vehicle weight rating to be included in the calculation of their fleet average fuel economy rating. Vehicle contract information must be submitted to GSA annually.
- e. Operating Units are also responsible for applying the mandatory requirements concerning display of Government identification and tags on leased vehicles as specified in FPMR subpart 101-38.2.

7.603 Inspection of New Vehicles.

Operating Unit's fleet managers shall ensure that all new vehicles are inspected upon their delivery to ensure that:

- a. They meet delivery inspection requirements;
- b. Damages or deficiencies are documented and reported;
- c. They are properly serviced according to warranty provisions; and
- d. They are properly posted with tags and identification markings.

7.700 REQUIREMENTS FOR VEHICLE REGISTRATION, IDENTIFICATION, AND RELATED EXEMPTIONS

7.701 General Requirements (FPMR 101-38.200).

All motor vehicles acquired for official purposes shall display official U.S. Government tags, unless specifically exempted by subpart 7.702.

Each Operating Unit shall establish a centralized record of all U.S. Government tags in their possession, including those issued by the District of Columbia, Department of Highways and Traffic, for use in the District of Columbia. Such records shall specify the motor vehicle (and the

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location of the vehicle) to which the tags are assigned, and shall include complete information concerning the voiding or destruction of tags as appropriate.

Operating Units shall develop internal controls based upon security needs to ensure that accurate records exist of all registration tags used for undercover law enforcement activities or investigative work as exempted by FPMR 101-38.200.

- a. FPMR 101-38.200(f) authorizes the Secretary of Commerce or a designee to grant exemptions for DOC from the requirements for displaying U.S. Government tags and other identification on motor vehicles. This authority has been delegated through the Assistant Secretary for Administration to the Director, OAS;
- b. Requests for exemption shall be submitted in duplicate to the DOC Fleet Manager. Each request shall describe the vehicle for which exemption is sought, the nature of the work on which it is used, and include a certification to the effect that conspicuous identification would interfere with such use; and
- c. The DOC Fleet Manager shall be promptly notified when the need for a previously authorized exemption no longer exists. All exemptions granted are limited to 1 year. Requests for exemptions must be resubmitted to the DOC Fleet Manager annually by November 15 of each year for consolidation and transmittal to the Director, OAS.

7.702 Exemptions.

Unlimited Exemptions:

FPMR 101-38.204-1 lists Federal departments and agencies which have been granted unlimited exemptions from the requirements to display official U.S. Government tags and other identification. DOC has two exemptions under law enforcement: BXA Office of Export Enforcement and the NOAA National Marine Fisheries Service.

Special Exemptions:

Motor vehicles assigned for the personal use of the Secretary of Commerce, and others as deemed necessary by the Director, OAS, are exempt from the display of official identification, but shall display the official U.S. Government tags, unless exempted by the Director, OAS.

Requests for Exempted Vehicles in the District of Columbia"

The Director, OAS, is designated as DOC liaison and representative to approve requests for regular District of Columbia tags for motor vehicles exempted from carrying U.S. tags and other identification. The DOC Fleet

Manager shall serve as the DOC's alternate liaison and representative. The Director shall furnish annually to the District of Columbia, Department of Transportation, his name and specimen signature and those of the alternate.

Requests for District of Columbia tags, or renewal requests, to be used on motor vehicles exempted from carrying U.S. Government tags pursuant to FPMR 101-38.204-1 through 101-38.204-2 shall be submitted to the DOC Fleet Manager for signature and transmittal to the District of Columbia, Department of Transportation. Special forms for requesting District of Columbia tags are available from the District of Columbia, Department of Motor Vehicles.

7.703 **Special Registration and Inspection Requirements (FPMR-101-38.201).**

In the District of Columbia:

All motor vehicles acquired for official purposes which are regularly based or operated in the District of Columbia shall be registered and have certified tags with the District of Columbia, Department of Transportation.

Each motor vehicle registered in the District of Columbia must be reregistered and inspected annually in accordance with law and regulations of the District of Columbia Code and applicable regulations.

Outside of the District of Columbia:

If exempt from displaying the official U.S. Government tags under FPMR 101-38.200(f) or 101-38-204, vehicles acquired for official purposes outside the District of Columbia must be registered in accordance with the laws of the State, Commonwealth, Territory, or Possession in which they are regularly based or operated.

7.704 **Numbering and Coding.**

As reflected in FPMR 101-38.202-4, DOC letter code designation is "C".

Any requests for additional code designations shall be submitted to GSA for approval through the DOC fleet.

7.705 **Removal of Tags and Identification.**

Commerce tags shall be removed from motor vehicles prior to release from government service or transfer to another agency of the Federal Government. Tags may be transferred within the Department. Necessary controls shall be established to ensure that tags which are voided are effectively destroyed or defaced to prevent their reuse.

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All agency identification and other Government identification shall be removed from vehicles no longer needed by the Department before transferring the title or delivering the vehicle.

7.706 Lost or Stolen Tags (FPMR 101-38.202-7).

Fleet Managers shall report any lost or stolen tags to their local office of security or the issuing IFMS, as applicable. Stolen DC or state tags should be reported to the District of Columbia, Department of Transportation, or State agency where tags are registered.

7.707 Agency Identification.

DOC official legend and agency identification shall be displayed on agency-owned and leased vehicles in accordance with FPMR 101-38.203 and 101-38.4801.

Decals or other markings containing slogans, advertising, or other messages are strictly prohibited. Vehicles located in foreign areas are not required to display the official legend and identification.

7.800 OFFICIAL USE OF GOVERNMENT MOTOR VEHICLES

7.801 Policy.

Motor vehicles shall be used only for official purposes. All alleged instances of misuse shall be reported to the Operating Unit's Fleet Manager. The Operating Unit's Fleet Manager will take action to investigate the alleged misuse and to recommend appropriate or remedial action as necessary.

7.802 Authorized Uses.

The expeditious accomplishment of official business is the sole reason for acquiring and operating a Government motor vehicle. It is for official purposes when a Government motor vehicle is:

- a. Used to perform agency business, carry out authorized programs, including program work under cooperative agreements or other contractual arrangements made pursuant to authority vested in the Department (see FPMR 101-25.100);
- b. Used to render assistance in major disasters or emergency situations;
- c. Used by an officer or employee between their residence and place of employment when such use is authorized as provided in 31 U.S.C. § 1344 and in accordance with the criteria established in 7.900 below; and

- e. Used by an officer or employee in travel status to go between their temporary lodging, place of business, and other permissible places set forth in paragraph 1-2.6a of the Federal Travel Regulations.

7.803 Minimum Standards or Requirements for Use.

Motor Vehicle Use Authorization:

Operating Units are responsible for authorizing and providing procedures to employees operate Government motor vehicles. The procedures shall identify employees who are authorized to operating a Government motor vehicle for official business.

- a. General Standards - All personnel who at any time operate a Government-owned or leased motor vehicle must possess:
 - (1) A valid State driver's license for the class or classes of vehicles that the operator is assigned to operate; and
 - (2) A valid DOC building pass.
- b. Motor Vehicle Operator Responsibilities - Motor vehicle operators are those personnel whose job responsibilities require operation of a motor vehicle. In addition to complying with the General Standards, above, motor vehicle operators must:
 - (1) Execute consent forms as needed to obtain information from motor vehicle authorities;
 - (2) Report to supervisor all moving violations, suspension, revocation or expiration of license;
 - (3) Have a satisfactory motor vehicle driving record; and
 - (4) Show no indications of any physical, mental or emotional disorder which could render driving a hazard to themselves or others.
- c. Authorization and Revocation Standards:
 - (1) Prior to employing any individual as a motor vehicle operator, and at least annually for all authorized motor vehicle operators, records should be reviewed through the licensing State and, if appropriate, the National Drivers Register, in order to determine that:
 - (a) The operator's State license has not expired, been suspended or revoked; and
 - (b) Any offenses of record are not indicative that individual should not be employed as a motor vehicle operator or that authorization as a motor vehicle operator should be revoked.
 - (2) Authorization is revocable upon demand;
 - (3) The following items are among those constituting sufficient cause to revoke authorization and grounds for adverse action (removal, suspension without pay, reassignment with possible reduction in grade, etc.) as appropriate:

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- (a) Operating a motor vehicle under the influence of narcotics or alcohol, or other non-prescription drugs or medicine which tend to impair the ability to drive;
- (b) Leaving the scene of an accident involving a Government motor vehicle assigned to the operator without providing identification or otherwise complying with accident reporting requirements;
- (c) Failure to meet appropriate physical, mental, and emotional health standards;
- (d) Revocation, suspension or expiration of State operator's license;
- (e) Involvement in an accident while operating a Government-leased or owned vehicle that is found after investigation to have been caused by operator's negligence;
- (f) Violation of traffic laws or regulations (other than those related to parking) with a Government-owned or leased vehicle;
- (g) Improper operation and maintenance of Government motor vehicle;
- (h) Failure to comply with Federal, Departmental or operating unit rules and regulations governing motor vehicle operation; and
- (i) Unsatisfactory driving record indicating driver is a poor risk because of unsafe driving habits or repeated traffic violations while operating privately-owned or Government vehicles.

7.804 Transportation of Nonofficial Passengers.

The official purpose of the use of a motor vehicle is not voided or changed by the incidental transportation of private property, or a person traveling for personal convenience provided the space is available and not needed in connection with the accomplishment of official business. However, the transportation of non-official passengers creates the possibility of tort claims and public criticism and shall not be encouraged. The heads of Operating Units shall be responsible for establishing policies on the use of such incidental transportation which:

- a. Must be without expense to the Government;
- b. Must not result in the delay of Government business or the taking of circuitous routes; and
- c. Must not involve private profit-seeking activities or commercial dealings other than consumer purchases.

Picking up hitchhikers is prohibited when on official business.

7.805 Violations.

DOC motor vehicle operators shall be familiar with and obey all motor vehicle traffic laws of the State(s) and local jurisdiction(s) where they operate Government motor vehicles. All traffic violations should be reported to their immediate supervisor and Operating Unit's fleet manager (See FPMR 101-38.301-2).

7.806 Penalty for Unofficial Use.

Section 1349 of Title 31 of the U.S. Code provides that: Any officer or employee of the Government who willfully uses or authorizes the use of any Government-owned passenger motor vehicle for other than official purposes shall be suspended from duty by the head of the Operating Unit concerned without compensation, for not less than 30 days, and shall be suspended for a longer period or summarily removed from office if circumstances warrant.

7.900 USE OF GOVERNMENT VEHICLES FOR HOME-TO-WORK TRANSPORTATION

7.901 Scope and Applicability.

This section implements the policy guidelines contained in FPMR subpart 101-6.4 pertaining to Official Use of Government Passenger Carriers between residences and places of employment. The policies contained in this section are applicable throughout the Department and shall apply only to the use of home-to-work transportation for employees on normal duty status performing assigned duties at their place of employment. This regulation does not apply to the use of a Government passenger carrier when used in conjunction with official travel to perform temporary duty assignments away from a designated or regular place of employment or for employees engaged in intelligence, counterintelligence, protective services, or criminal law enforcement duties where specific authority for the use of Government vehicles for home-to-work transportation has been given by the Secretary of Commerce.

7.902 Policy.

DOC employees are not authorized to use a Government passenger carrier for transportation from home-to-work unless the use has been approved in writing in advance by the Secretary. 31 U.S. Code § 1344 specifies the Secretary may not redelegate this authority. It is the Department's policy to fully document all instances of home-to-work transportation with necessary reports, logs or other records.

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The use of Government passenger carriers between an employee's residence and their place of employment shall be limited to:

- a. The Secretary of Commerce;
- b. Employees engaged in "field work," as defined;
- c. Employees engaged in "intelligence" or "criminal law enforcement," as defined; and
- d. Other employees, when use is in response to a highly unusual circumstance which presents a clear and present danger, when an emergency exists, or when other compelling operational considerations make such transportation essential to the conduct of official business.

7.903 Procedures.

All requests for authorization for the use of Government motor vehicles for home-to-work transportation must be submitted in writing to the Director, OAS, as follows:

- a. The requests must be signed by a secretarial officer or head of the Operating Unit; and
- b. The requests must contain the following:
 - (1) Name and title of the employee for whom a passenger carrier for use between the residence and place of employment is being requested
 - (2) In circumstances where field work determinations are made under FPMR 101-6.403 or security may be compromised by naming individuals, an Operating Unit may elect to designate positions rather than individual names, especially in positions where rapid turnover occurs. Such requests should include job series, number of positions, operational level where the work is to be performed and any other appropriate data regarding the assignment of vehicle.
 - (3) Name of immediate office requesting the authorization
 - (4) Reason for request: i.e., field work, criminal law enforcement, clear and present danger, emergency, compelling operational considerations
 - (5) Detailed justification for request
 - (6) Anticipated duration of the use.
- c. Review and approval procedure:
 - (1) All requests for home-to-work transportation will be reviewed by OAO.
 - (2) OAO will be responsible for:
 - (a) Reviewing the request and obtaining additional information as necessary;
 - (b) Making recommendations to the Secretary;

- (c) Forwarding the request with the panel's recommendation to the Secretary for his/her approval; and
- (d) Notifying the Operating Unit of the action taken.

7.904 Field Work Authorization.

The designation of "field work" is meant to cover an employee whose job requires their presence at various locations that are at a distance from the employee's place of employment. Examples of such employees includes jobs requiring travel to several locations during the course of the work day. The field work exception may not be used (1) when the employee's workday begins at his or her official Government duty station, or (2) when the employee normally commutes to a fixed location no matter how far removed from his or her official duty station. Field employees authorization for use of Government motor vehicles for home-to-work authorization must be recertified every 2 years.

Appropriate Justification - Operating Units may have situations where it is more cost effective to the Government to provide an employee a passenger carrier for home-to-work use rather than have the employee travel long distances to pick up a vehicle and return to their original destination to perform the job. In these situations, if practicable, consider basing the vehicle at a Government facility located near the employee's job site. If such a solution is not feasible, an Operating Unit must decide if the use of the vehicle qualifies based on compelling operational considerations.

7.905 Clear and Present Danger or Emergency Authorization.

In cases where an emergency or clear and present danger requires the use of home-to-work transportation and prior approval is not physically possible to secure, the circumstances must be set forth and transmitted in the most expedient manner possible, such as: overnight mail; hand delivery; facsimile; telemail.

When circumstances described above in 7.902 d. "Policy" apply, a written justification must be sent to the Director, OAS. The duration of the use of the initial request cannot exceed 15 calendar days. Should circumstances continue, a subsequent request may be approved by the Secretary for a duration of up to 90 days. If, at the end of the subsequent determination, circumstances continue to exist, the Secretary may authorize an additional extension of up to 90 calendar days and continue this process as long as circumstances require it.

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7.906 Records/Reports.

Each Operating Unit shall maintain logs or other records necessary to establish that any approved home-to-work transportation was for official purposes. These logs or records shall be easily accessible for audit. In accordance with FPMR 101-6.400, all home-to-work transportation shall be documented by logs or records containing the following information:

- a. Name and title of the employee (or other identification, if confidential) using the passenger carrier;
- b. Name and title of the person who authorized the use;
- c. Motor vehicle identification;
- d. Date of use;
- e. Circumstances requiring the home-to-work transportation.

Employees essential for safe and efficient performance of intelligence, counterintelligence, protective services, or criminal law enforcement duties are exempt from the above requirements. However, general internal logs or records should be established to show home-to-work transportation was used for official purposes.

Operating Units shall only request authorization for use of home-to-work transportation when such transportation will substantially increase the efficiency and economy of the Government. The comfort and convenience of an employee shall not be considered as justification for such authorizations.

For employees using motor vehicles in circumstances listed in section 7.902 Policy (b. through d.), Operating Units must submit a justification to the Director, OAS, with all pertinent information and receive an approval by the Secretary before authorization for use of home-to-work transportation. OAS will retain a copy of such approved authorization, submit a copy of such authorization to Congress, if required, and return a signed copy to the agency for audit purposes.

7.1000 MOTOR VEHICLE MANAGEMENT

7.1001 Scope and Applicability.

Operating Units are responsible for establishing a motor vehicle management program covering all Government motor vehicles used by its employees in conducting official business. This program shall include as a minimum:

- a. A system for the allocation of motor vehicles based upon the requirement of authorized program activities;

- b. The establishment and maintenance of such records as may be necessary to provide management with sufficient data on an annual basis to determine that all vehicles meet or exceed prescribed utilization objectives;
- c. An annual analysis of the above data by management and appropriate program personnel to determine if:
 - (1) Additional vehicles are required;
 - (2) Fewer vehicles are required and, if so, what disposal action is needed (reassignment, return to motor pool, declaration as excess, etc.);
 - (3) There are concentrations of vehicles where a pooling concept can be used to the most practical extent; or
 - (4) All or part of the requirements can more economically be provided through the use of intermittent rentals or privately-owned vehicles.

This subpart is applicable to Operating Units in the United States, its territories, or its possessions which operate Government-owned, leased, or rented motor vehicles in the conduct of official business. This subpart does not apply to motor vehicles exempt by law or other regulations. See FPMR subpart 101-39.1 for further requirements.

7.1002 Limitations.

A motor vehicle will not be assigned for the exclusive use of one individual unless such assignment is required by the nature of the individual's responsibilities or by the frequency, urgency, and extent of the daily requirements for motor vehicle services.

Truck-type vehicles will not be acquired for passenger use merely to avoid the limitations on passenger-carrying vehicles.

Light duty trucks (capacity of 1 ton or less) shall not be acquired for addition to a fleet unless there is a known requirement for a period of at least 18 months. For heavier trucks, the known requirement must exist for a period of at least 24 months.

Motor vehicles will be acquired from excess sources only when the costs of such acquisitions (reimbursement, transportation, and repairs/rehabilitation needed to ensure safe operation) do not exceed the one-time repair cost set forth below.

Except in those instances where replacement is administratively determined to be impractical, a motor vehicle should be replaced in lieu of being repaired when the cost of repairs is expected to exceed the economic value of the vehicle.

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7.1100 USE AND REPLACEMENT STANDARDS.

7.1101 Applicability.

The provisions of FPMR subpart 101-38.4 shall apply.

DOC shall retain in service motor vehicles that meet prescribed replacement standards but are in useable and workable condition, provided that:

- a. A continued need exists for the vehicle;
- b. The vehicle can be operated safely and dependably without excessive repair and maintenance costs. Normally, when any single repair job exceeds 25% of the estimated current market value of a vehicle, consideration should be given to replacement in lieu of repair and retention. A detailed supporting analysis shall be made and included in the official file;
- c. Repair parts are readily obtainable; and
- d. Retention will not substantially reduce the trade-in value of the vehicle.

The review described by FPMR 101-38.402, and certification for exceptions to the replacement standards of 101-38.402, may be signed by the Operating Unit Fleet Manager. Findings supporting each certification shall be made a part of the official file.

7.1102 Gasoline for Use in Motor Vehicles.

Manufacturer's requirements for octane and minimum lead content should be followed. For further gasoline usage requirements see FPMR 101-38.401.

7.1103 Minimum Replacement Standards.

The following are minimum replacement standards to be used by all agencies. The fact that the vehicle may meet or exceed these standards does not necessarily mean that it should be replaced and/or reported for disposal action. Vehicles are to be retained in service so long as they can be operated safely for additional periods without excessive maintenance expense or without expectation that continuing use will substantially reduce the amounts to be received from the sale of the vehicles. Any questions in this regard should be referred to the appropriate Operating Unit Manager:

- a. Sedans and Station Wagons - may be reported for disposal at 6 years or 60,000 miles, whichever occurs first. See temporary regulation on agency's minimum replacement standard in FPMR 101-38.402.
- b. Buses - for 11 or more passengers may be reported for disposal at 8 years or when they have been operated the following distances:

- (1) Intercity-type bus - 280,000 miles;
- (2) City-type bus - 150,000; or
- (3) School-type bus - 80,000

- c. Trucks - may be reported for disposal at 6 years or 40,000 miles, whichever occurs first.
- d. Uneconomical, Wrecked, or Damaged Vehicles - All Government-owned or leased vehicles that have been wrecked or damaged, and/or those that require maintenance expenditures in excess of 25% of the estimated current market value of the vehicle, may be replaced without regard to the above standards. Requests to dispose of Federal by owned vehicles as uneconomical to repair shall be forwarded to the appropriate Commerce Operating Unit Fleet Manager for a determination. Requisitions shall include full documentation of the vehicle's condition and three written estimates of repair costs.

7.1200 SCHEDULED MAINTENANCE

7.1201 Scope and Applicability.

This subpart prescribes DOC requirements and guidelines covering the maintenance of Government-owned motor vehicles. (See FPMR 101-38.5.)

7.1202 Agency Requirements.

Departmental Operating Units having Government vehicles in their custody shall maintain motor vehicles on a scheduled basis according to age and mileage, and protect and safeguard motor vehicles to prevent pilferage and damage. They shall:

- a. Establish a recorded, systematic procedure for the servicing and inspection of motor vehicles. This procedure shall ensure the safe and economical operating condition of motor vehicles throughout the period of use; meet established emission standards; meet warranty requirements; and ensure that all Government-owned or commercially leased motor vehicles have inspection and service performed in accordance with the manufacturer's recommended specifications; and
- b. Ensure that Government-owned vehicles are maintained to achieve the most energy-efficient operation and meet Federal and State emission standards, including safe and proper operation of the catalytic converter, when so equipped, during the vehicles life time warranty.

In addition to the intervals under operator maintenance, all vehicles shall be inspected at least every 6 months or

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6,000 miles, whichever occurs first. The only exception to this policy is for vehicles which require servicing more frequently, in which case the manufacturer's recommendations contained in the owner's manuals are to be followed.

Option Form 40 (OF 40), Motor Vehicle Service Authorization and Work Order, may be used to provide service vendors with a written work order and identify items on the vehicle which require servicing.

Servicing and recording of service for each vehicle are to be completed at recommended intervals to ensure their safe and economical operating condition throughout the period of use.

Vehicle maintenance records must be maintained to document completion of required inspection/maintenance services.

Prompt attention shall be given to all mechanical troubles. Under no circumstances will vehicles be operated with faulty brakes, lights, exhaust systems, steering, gears, tires, or any other problem or condition that creates a safety hazard.

New vehicles under warranty shall be referred to the manufacturer's representative for repair and adjustments.

7.1203 Assistance to Agencies.

GSA will make available motor equipment management technicians, at no cost, to assist in establishing or reviewing scheduled maintenance activities. Submit requests to GSA, ATTN: FBF, Washington, DC. 20406.

7.1300 REPORTING MOTOR VEHICLE ACCIDENTS

7.1301 Scope and Applicability.

This subpart provides for the availability of certain standard forms for use in reporting any accident involving a Government-held motor vehicle. The provisions of this subpart are mandatory for all Operating Units holding motor vehicles that are located within the United States, its territories, or possessions.

7.1302 Policy.

All accidents involving motor vehicles regardless of damage or injury shall be investigated and reported.

7.1303 Accident Reporting Forms and Their Use.

7.1

The following Department Administrative Orders implement FPMR 101-38.601:

- a. DAO 209-3 prescribes the procedures and forms to be used in recording accidents that occur incident to the operations or activities of the Department, including motor vehicle accidents; and
- b. DAO 209-7 prescribes regulations and procedures governing the defense of suits against employees of the Department arising out of their operation of motor vehicles in the scope of their office or employment with the Federal Government.

The Standard Form (SF) 91, "Operator's Report of Motor Vehicle Accident", shall be carried at all times in motor vehicles used for official Government business. The SF-91 should be completed at the time and on the scene of an accident, insofar as possible, regardless of the extent of injury or damage.

7.1304 Accident Reports and Investigations.

Procedure:

- a. DOC owned or commercially leased vehicles.
 - (1) All applicable investigation forms required by the Department must be completed and reports forwarded by the supervisor within 5 days to the appropriate Operating Unit Manager.
 - (2) The Operating Unit Manager should review the reports and forward the originals to the DOC General Counsel's office for action, and forward a copy to the Operating Unit safety officer.

GSA-Assigned Vehicles:

- a. Accident notifications, investigations, and reports as required by FPMR 101-39.4 and DAO 209-3 must be completed within 5 days. The supervisor will then forward all applicable reports to the appropriate Operating Unit Fleet Manager.
- b. The Operating Unit Fleet Manager should review the reports and forward:
 - (1) The originals of all reports to the DOC General Counsel's Office;
 - (2) Two copies of only those reports required in FPMR 101-39.4 to the chief of the IFMS assigning the vehicle; and
 - (3) One copy to the Operating Unit safety officer.

7.1400 TRANSFER, STORAGE, AND DISPOSAL OF MOTOR VEHICLES

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7.1401 Scope and Applicability (FPMR 101-38.700).

This subpart provides guidelines for the transfer, storage, and disposal of all Government-owned, rented and leased motor vehicles.

7.1402 Transfer of Title to Government-Owned Motor Vehicles.

Agencies are required to provide odometer mileage information directly on the SF-120, "Report of Excess Personal Property", or SF-126, "Report of Personal Property for Sale", when reporting vehicles to GSA for disposal.

7.1403 Storage.

DOC personnel are responsible for the protection and security of motor vehicles, and may be held liable for any damage. All vehicles shall be operated safely, protected from possible misuse and abuse, and maintained in secured conditions when not in use or unattended. At a minimum, the following safeguard guidelines will be observed:

- a. When vehicles are unattended, all windows shall be closed, doors and trunks locked, and keys and credit cards secured elsewhere under a separate security system;
- b. Vehicles shall always be locked when parked and left unattended in public parking areas, on city streets, private lots, or in open Government parking areas;
- c. When vehicles are left at commercial garages or at service stations for repair or service, the credit cards shall be removed and carried by the operator; and
- d. Theft shall be reported to the local police authority and to the Operating Unit Security Officers (offices in the HCHB should report to the Office of Security). Damage or misuse shall be reported by the operator to the immediate supervisor.

7.1404 Disposal Procedure.

Government-owned vehicles may be reported for disposal by sending SF-120 or 126 to the appropriate fleet manager. Government-owned vehicles that are being replaced will be disposed of by sale as set forth in part 101-46 of the FPMR.

7.1405 Disposal Procedures for Replaced Vehicles.

Within 30 days after receipt of a replacement for a Government-owned vehicle, offices must report the vehicle that has been replaced to the appropriate Operating Unit fleet manager for disposal action.

Operating Unit fleet managers will submit SF-126 to GSA.

7.1406 Disposal Procedures for Excess Vehicles.

All motor vehicles which are excess to a using component's needs shall be reported for disposal to the appropriate Operating Unit fleet manager. The fleet manager will determine if the vehicles may be reassigned within the Department prior to reporting them to GSA.

7.1407 Sale of Motor Vehicles (FPMR 101-38-703).

The sale of motor vehicles shall be reported to the appropriate GSA regional Sales Office.

7.1408 Notice of Sale.

Upon sale of the vehicle, GSA will forward to the Operating Unit Fleet Manager standard form SF-27, "Notice of Award." The Operating Unit Fleet Manager shall forward a copy to the reporting office, and prepare and process SF-97, "Certificate of Release of a Motor Vehicle," and SF-97-A, "Agency Record Copy of the Certificate of Release of a Motor Vehicle."

7.1409 Return of Credit Cards.

The credit card (SF-149, "U.S. Government National Credit Card") must be returned to the Operating Unit Fleet Manager as soon as possible to prevent further use.

7.1500 STANDARD FORM 149, "U.S. GOVERNMENT NATIONAL CREDIT CARD"

7.1501 General (FPMR 101-38.8).

FPMR 101-38.800 authorizes the use of SF-149, "U.S. Government National Credit Card," to obtain authorized services and delivery of supplies at service stations dispensing supplies provided by contractors listed in the Defense Fuel Supply Center Contract publication, "Your Guide to Service Stations for Gasoline, Oil, and Lubrication" (DFSCH 4280.1). Requests for copies of the publication should be submitted to: Commander, Defense Fuel Supply Center, Attention: DFSC-OD, Cameron Station, Alexandria, Virginia 22304-6160.

7.1502 Obtaining SF-149, "U.S. Government National Credit Card".

Instructions for acquiring SF-149 and reporting the status of the "U.S. Government National Credit Card" may be

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obtained by contacting GSA, ATTN: FBF, Washington, DC 20406.

Required By: DAO 217-16
Due Date: 30 days after the end of each quarter

**7.1600 FEDERAL MOTOR VEHICLE FLEET
RECORD KEEPING AND REPORTING
REQUIREMENTS**

f. Submitted to: Energy Conservation Officer
Report: Annual Progress Report of Motor Fuel

Required By: FPMR Temp Reg G-56
Due Date: March 1 of each year
Submitted to: Energy Conservation Officer

7.1601 Scope.

This subpart sets forth requirements for record keeping and reporting of motor vehicle data. It supplements the provisions of FPMR subpart 101-38.9.

7.1602 Records.

Operating Units shall arrange for the development and maintenance of adequate accounting and reporting arrangements. Accurate record keeping and reporting of motor vehicle inventory, cost and operating data for management and control of motor vehicles, is necessary to fulfill the record keeping and reporting requirements of this subpart.

7.1603 Reporting of Data.

The following is a listing of the various reporting requirements that Operating Units have for motor vehicles:

- a. Report: FY Report on Commercially-Leased Vehicles
Required By: FPMR 101-38.102(e)
Due Date: October 1 of each year
Submitted to: Commerce Fleet Manager
- b. Report: Agency Report of Motor Vehicle Data
Required By: FPMR 101-38.901
Due Date: November 1 of each year
Submitted to: Commerce Fleet Manager
- c. Report: Motor Vehicle Expenditure Control Budget submission
Required By: OMB Circular A-11, Section 15.6
Due Date: September 1 of each year
Submitted to: Commerce Fleet Manager
- d. Report: Update to Motor Vehicle Expenditure Control Budget Submission
Required By: OMB Circular A-11, Section 15.6
Due Date: 10 days after publication of President's budget
Submitted to: Commerce Fleet Manager
- e. Report: Quarterly Energy Consumption Report

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GLOSSARY AND REPORTS CALENDAR

8.000 GLOSSARY OF TERMS AND DEFINITIONS

8.004 Terms and Definitions.

The following definitions are established for terms used in this Chapter:

- a. Accountability - The act of accounting for personal property by providing a complete audit trail for property transactions from receipt to final disposition.
- b. Accountable Area - A specifically defined geographical or organizational locale in which personal property accountability is assigned to a designated property accountable officer.
- c. Accountable Personal Property - All personal property for which responsibility for control is formally assigned to an individual, and official property records are maintained as set forth in Chapter 4.
- d. Capitalized Personal Property - Any single item of nonexpendable personal property, the value of which is charged to an asset account (general ledger control account) and which is to be accounted for during the life of the property. The Department's capitalization policy is set forth in Chapter 4.
- e. Custodial Area - A subdivision of a property accountability area, defined by organizational limits, for which a Property Custodian has been designated.
- f. Departmental Personal Property System (PPS) - An on-line personal property accountability system used to maintain data on personal property located throughout the Department.
- g. Departmental Property Management Officer - The person or position delegated authority and responsibility for the establishment and administration of the Department's personal property program.
- h. Excess Personal Property - Property which is no longer required by the Department for its needs and the discharge of its responsibilities.
- i. Expendable Personal Property - By its nature or function, is consumed in use; is used as repair parts or components of an end product considered nonexpendable; or has an expected service life of less than 1 year.
- j. Financial Reconciliation - Comparing the monthly closing inventory value of all capitalized equipment property records to the total value reflected in the General Ledger Account maintained by financial management.
- k. General Ledger - An account that is supported by secondary property records showing the description, location, cost and other significant data for each item or class of equipment.
- l. Inventory - All accountable personal property assigned to an organization whether or not such property is in use. Includes nomenclature (item name), serial and stock numbers, quantity, location, acquisition value and other descriptive information.
- m. Non-Capitalized Personal Property - Any single item of nonexpendable personal property, the value of which is charged to an expense account either when issued for use or at time of receipt.
- n. Non-Expendable Personal Property - Complete within itself, does not lose its identity or become a component part of another article when put into use, and is of a durable nature with an expected service life of 1 or more years.
- o. Operating Unit - Organizational entities outside the Office of the Secretary charged with carrying out specified substantive functions or programs of the Department (See Department Organization Order (DOO 1-1) for Operating Unit listing).
- p. Personal Property - Any property, except real property, records of the Federal Government, and naval vessels of the following categories: battleships, cruisers, aircraft carriers, destroyers, and submarines.
- q. Property Board of Review - A standing or Ad Hoc Committee, generally appointed by the PMO. The Property Board of Review consist of three to five members who are responsible for examining facts to determine and establish the extent of personal liability for lost or damaged property and authorize the removal of items from official property records.
- r. Property Accountability Officer (PAO) - The person who ensures the effective administration and maintenance of a personal property control and accountability system within the accountability area for which he/she has been designated.
- s. Property Custodian (PC) - The person who has physical responsibility for the proper use, maintenance and protection of property assigned to a particular custodial area.
- t. Personal Property Management - The function of the management, coordination and regulation of activities concerned with the functions of planning property needs; the acquisition of property; the receipt, storage and distribution of property; the proper utilization and care of property; property accounting control and disposition of property.
- u. Property Management Network - The management structure through which personal property is managed. This network includes a Departmental Property Management Officer, Operating Unit

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Property Management Officers, Property Accountability Officers, and Property Custodians.				Recipients
v. <u>Property Management Officer (PMO)</u> - The individual appointed by the head of each Operating Unit who has been assigned the responsibility, authority and accountability required to effectively control the acquisition, use and disposal of personal property.	90 Days After End of FY	5.800	101-46.305	Personal Property Exchange/Sale Transactions
w. <u>Reconciliation</u> - The process of matching and adjusting property records for a specific item to bring them into full agreement and to assure that they accurately reflect the quantity, description, condition, location, custodian, etc., of the item.				
x. <u>Rehabilitation</u> - The restoration, reconditioning, renovation, or repair of serviceable/unserviceable or operable/inoperable property to a nearly new condition.				
y. <u>Replacement Standard</u> - Established measurements of an item of equipment's performance and utility, the result of which determines that a new item should be acquired to supplant the one currently in use.				
				*See Chapter 7 (section 7.1603) for reporting requirements on motor vehicles.

8.100 REPORTS REFERENCE CALENDAR

8.101 Policy.

Personal property reports referenced in section 8.102 are required by the DPMO. All motor vehicle reports that should be submitted to the Director, Office of Administrative Operations.*

8.102 Reports Required By GSA.

The following is a listing of the various reports required by GSA:

<u>DATE DUE</u>	<u>PPMM</u>	<u>FPMR</u>	<u>REPORT TO DEPT.</u> <u>TITLES</u>
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ANNUAL REPORTS

60 Days After End of FY	5.100 5.200 5.600	101-43.4701	Annual Report of Utilization and Disposal of Excess and Surplus Personal Property (SF121)
90 Days After End of FY	5.400	101-43.4701	Personal Property Furnished Non-

Federal